A. Organization of Commission on Organization of the Executive Branch of the Government.

1. Authority: - Public Law 162, 80th Congress, Approved July 7, 1947.
2. Consisted of:

Herbert Hoover, Chairman, 30th President
Dean Acheson, Vice Chairman, Secretary of State
George D. Aiken, Senator from Vermont
Clarence J. Brown, Representative from Ohio
Arthur S. Flemming, President, Ohio Wesleyan University
James Forrestal, Former Secretary of Defense
Joseph P. Kennedy, New York City & Hyannis Port, Mass.
John L. McClellan, Senator from Arkansas
Carter Manasco, Jasper, Alabama
George H. Mead, Dayton, Ohio
James K. Pollock, Professor, University of Michigan
James Rowe, Jr., Butte, Montana

B. Reports Received

1. Department of Agriculture
2. Department of Commerce
3. Department of the Interior
4. Department of Labor
5. Department of Post Office
6. Department of the Treasury
7. Budgeting and Accounting
8. Foreign Affairs
9. Office of General Services, Supply Activities
10. General Management of the Executive Branch
11. Medical Activities
12. National Security Organization
13. Personnel Management
14. Regulatory Commissions
15. Social Security - Education - Indian Affairs
16. Veterans Affairs
17. Also 16 Task Reports

C. Size of Reports

1. Smallest - Post Office, 21 pages
2. Largest - Interior - 94 pages

D. Size of Task Reports

1. Smallest - Statistical Agencies - 21 pages
2. Largest - Public Welfare - 590 pages

E. Procedure followed in this Department with regard to reports

1. Each agency asked to name representative
2. First meeting held on February 21, 1949
3. Committee named to study each report
4. Consider for impact of each report on this Department

F. Plant and Operations' Representation
   1. Office of General Services - Supply Activities
      a. Terry J. McAdams - Operation & Maintenance of Public Buildings
      b. L. E. Donaldson - Establishment of Records Management Bureau
   2. Organization of Post Office Department
      a. John S. Lucas, Chairman

G. Impact of various reports on Plant and Operations and/or Department (not yet reported) - will report on highlights on Department and more specifically on P&O.
   1. Department of Agriculture - General
      a. Referred to growth in last 20 years (22,000 to 82,000 employees $25,800,000 to $834,000,000 budget)
      b. Secretary, Under Secretary, two or three Assistant Secretaries--one to be known as Administrative Secretary and perhaps to be a career man.
      c. Functions to be grouped into 8 major units:
         Staff Services
         Research Services
         Extension Service
         Agricultural Resources Conservation Service
         Commodity Adjustment Service
         Regulatory Service
         Agricultural Credit Service
         Rural Electrification Service
      d. Staff Services
         Financial Officer (budgeting, accounting & disbursements)
         Personnel Officer
         Management Research Officer
         General Counsel for legal work outside the Regulatory Service
         Supply Officer
         Publication Officer
         Librarian
      e. Food and Drug Adm. in whole or part to be returned
      f. Land Management (except minerals) from Interior to Agriculture
   2. Office of Plant and Operations
      a. P&O not mentioned as such
      b. Segments of Office might be placed under supervision of Management Research Officer; Supply Officer and Publications Officer
         <u>Management Research Officer</u> (new position)
            Records Administration Division
            Technical Services Division in part
            Management and regulatory activities of Real Estate, including consolidated housing studies.
            Technical Assistant to the Chief, O.P.&O.
         <u>Supply Officer</u> (new position)
            Logical to conclude most of OP&O functions would be placed under this Officer
            Possible exception is accounting, supply, budgetary, and personnel services now being furnished to the Office of the Secretary. If Administrative Secretary determines

Department agencies which work at the county level:
S.C.S.; Ext. Serv; F.H.A; P&M.A; F.C.A; R.E.A; F.S; B.A.I; F&P.Q.
County in Georgia had 47 employees from 7 agencies
working with 1,500 farmers.
A missouri farmer was confused when he received varying
advice from five agencies on how to fertilize his fields

F. Plant and Operations' Representation

1. Office of General Services - Supply Activities

a. Perry J. Mathews - Operation & Maintenance of Public Buildings

b. Ia. E. Donaldson - Establishment of Records Management Bureau

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b. Secretary, Under Secretary, two or three Assistant Secretaries - one to be known as Administrative Secretary and perhaps to be a career man.

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Research Services
Extension Service
Agricultural Resources Conservation Service
Commodity Adjustment Service
Regulatory Service
Agricultural Credit Service
Rural Electrification Service

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General Counsel for legal work outside the Regulatory Service
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Publication Officer
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2. Office of Plant and Operations

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Records Administrator Division
Technical Services Division-in part
Management and regulatory activities of Real Estate, including consolidated housing staffs.
Technical assistance to the Chief, O.H.&C.

Supply Officer (new position)
Looked to include most of PAO functions would be placed under this officer
Possible exception is accounting, supply, budgetary, and personnel services now being finished to the Office of the Secretary. If Administrative Secretary determines

that each staff office should maintain its own supply, accounting, budgetary and personnel services the Administrative Services Division might be abolished. On the other hand, its activities might be enlarged to provide these services for the General Counsel, Publications Officer and the Librarian.

Publications Officer

Administrative Secretary might conclude that reproduction (duplicating and photographic) is proper for transfer to the Publications Officer.

c. Records Management

Will report thereon under report on General Services

d. Operation and maintenance of Public Buildings.

Will report thereon under report on General Services

H. Department of Commerce

1. The report first states that while Commerce is concerned with commodities after they enter trade, the DA and Interior are mainly concerned with raw materials up to the time of initial processing. The comment is made that it is impossible to draw a hard and fast line as to where each agency's activities begins or ends. Recommends formation of interdepartmental committee composed of representatives of Commerce, Agriculture, Interior and State to determine respective fields.
2. Also mentioned Department's interest in fish as it is a part of food supply.

I. Department of the Interior

1. Transfers to:
   a. DA functions relating to leasing of mineral lands
   b. Public Building from Federal Works Agency.
2. Transfer from:
   a. Land Management functions of the Bureau of Land Management to DA.
3. Department retained responsibility in upstream flood control
4. Department retained responsibility for irrigation activities
5. Transfer of land management functions would give DA management and administrative jurisdiction over 1/2 billion acres as contrasted to 188,000,000 at present
6. Board of Impartial Analysis established.
   a. AD would be required to review irrigation projects
7. Planning and administering construction to aid in preventing unemployment.
   a. Of particular interest to FS, SCS, REA, and Marketing Facilities Branch of PMA.
8. Suggests a lack of coordination between National Park Service and FS.

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8. Suggests a lack of coordination between National Park Service and FS.

J. Department of Labor

1. Placing of Selective Service System in Labor might affect the manpower engaged in agricultural pursuits.
2. Assignment to Bureau of Labor Statistics the responsibility for collecting data, research, and analyses relating to wholesale prices, living costs, employment, unemployment, working hours, wages, payrolls, and productivity while supposedly confined to non-agricultural employment, etc., could seriously affect present statistical activities of this Department.

K. Department of Post Office

1. Decentralization of P.O. into 15 regions should expedite answers to problems of field offices.
2. Department might be called upon to forecast volume of mail to P.O. under "business form" of budget
3. Implied recommendation to raise postage rates thus increasing the Department's expenses
4. Free space in P.O. buildings not mentioned

L. Department of Treasury

1. Transfer of functions of Bureau of Federal Supply to Office of General Services will be reported elsewhere.
2. Establishment of Account General will be reported elsewhere.
3. Office of Liquidation to examine and report on lending agencies in liquidation has the inherent possibility of creating a conflict between the two departments.
   a. Examination by both T. & GAO would involve a duplication of effort and expense.
4. Establishment of National Monetary and Credit Council on which FCA and other departmental credit and financial agencies would no doubt be represented.

M. Foreign Affairs

1. A's responsibility for Extension Service and Experiment Stations in island territories and possessions not changed.

N. Office of General Services - Supply Activities

1. Visualizes a new office to prescribe regulations governing the conduct of several activities:
   a. Supply activities, including purchasing, storage and issue, traffic management, specifications, inspection, property identification and property utilization.
   b. Preservation, management and disposal of records.
   c. Management of public buildings, including space acquisition, allotment and maintenance.
2. Supply activities
   a. Establishment of Supply Policy Committee
      Representatives of B. of F. S. and National Military Establishment
      Establish policies and rules on supply operations
      Make government-wide purchases, stores, inspection, testing, etc.

The Government has 30 agencies actively engaged in lending or guaranteeing in housing loans. They represent whole or part to seven different departments or agencies and should be to the President.

It costs the Post Office about 2½¢ to print and deliver a penny Post card. The laws and regulations under which the P.O. Dept. operates fills several pages of points.

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100,000 employees paid $270,000,000 a year to store and issue supplies. Each time the contents of one filing cabinet were moved to a second center the Government would save about $27 a year in office expense

b. Proposed repeal of laws under which Department now exchanges typewriters, office machines, etc., might have effect on reducing amount of appropriated funds or of increasing estimates of funds needed (80% of books and periodicals are acquired through exchange or gift).

c. Elimination of surcharges (Nash and Geary)
Would require seeking appropriated funds for salaries in W.C.F. and in F.S.

d. Records Management
Little impact on Department
Recommends controls on
Requirements for and submission of reports
Elimination of obsolete reports, unessential copies, too frequent reporting, unessential filing of reports
Streamlining and reducing correspondence
Records inventory - periodic inventory of all records might impose considerable burden on the agencies of the Department.

e. Operation and Maintenance of Public Buildings
Indicates a desire to maintain present operations with some strengthening and expanding authorities
Effect of authority be given to a central agency to maintain and operate G. B.
Maintenance responsibility for D's controlled buildings in field (Regional Laboratories, etc.). PBA now lacks such authority.
Secretary now delegates authority to enter into leases, might be taken over by the O. of G. S.

O. General Management of the Executive Branch

1. Proposes the granting of more power and assistance to President and Department heads.
2. Need for development of a greater number of capable administrators
   a. Given more freedom from rigid statutes and regulations
   b. Allowed to exercise more initiative and enterprise
      Held accountable for results.
3. Need to strengthening President's staff.
   a. Establish Office of Personnel
   b. Revitalizing the Bureau of the Budget
4. Establishment of clear line of authority.
   a. Secretary should have full authority and bear full responsibility for conduct of Department.
      No official should have authority independent from his superior. (CCC under Board control rather than under Secretary)
5. Heads of staff offices should, as a rule, be appointed by the Secretary
   a. Exceptions:--REA, FHA, FCA, and four FC Commissioners.

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a. Exceptions:--FSA, FHA, BYA, and four RC Commissioners.

6. Secretary should have statutory authority to organize the Department.
   a. Doubt as to authority concerning FS, SCS, REA, FHA, FCA, and its banks and corporations, Fed. Farm Mortgage Corporation, CCC, and Regional Agricultural Credit Corporation
7. Secretary should have authority to assign funds appropriated for a given purpose to whatever agency in the D. he believes can best effect will of Congress.
8. Such number of Assistant Secretaries as may be necessary
9. Should establish position of Administrative Assistant Secretary
   a. Duties of housekeeping and management nature
   b. Should be a career employee
   c. Not clear who would appoint (President or Secretary)
10. Staff Offices should be:
   a. General Counsel; Financial Officer (accounting, budgeting, and disbursements); Personnel Officer; Supply Officer; Management Research Officer; Information and Publication Officer; Congressional Liaison Officer.
11. Organizational Nomenclature
   Service; Bureau; Division; Branch; Section; Unit
12. Manuals of instructions should be revised and simplified
   a. Elimination of self-defeating details.

P. Medical Activities
1. Recommends establishment of United Medical Administration
   a. Therein would be consolidated the Federal activities in the fields of medical care, medical research and public health.
      This Department's expenditures for medical and health services is 3/10 of one percent of the total estimated amount expended for this purpose.
   b. How it would affect some of the research work of the BAI and the Nutrition and Health Education Programs of the Extension Service is not clear.

Q. National Security Organization
1. Has no important, direct, immediate relationship to departmental policies.

Construction costs of Government hospitals run from $20,000 to $50,000 per bed, compared with an estimated $16,000 per bed for voluntary hospital

R. Regulatory Commissions
1. Has no direct impact upon present functions or activity of the Department. No transfer of functions from or to the Department is involved.

S. Social Security - Education - Indian Affairs
1. Social Security
   a. Proposes to transfer the part of the Food and Drug Adm. having to do with "foods" from the Fed. Security Agency to this Department.
   b. Drugs would go to proposed United Medical Adm.

World War II created 14,900,000 new veterans entitled to the services as the Veterans Administrations

2. Education
   a. Refers briefly to various educational activities in ghe agricultural field such as institutional on-farm training
   b. Alleges lack of sufficient coordination of the educational and nutritional aspects of the school lunch program. PMA denied this. Closest cooperation between D. and State Department of Education.
3. Indian Affairs
   a. Advises that Department will have to offer greater assistance to Indian owner-operators than to other private land owners.
   b. Interior and Agriculture must work out a cooperative action or program.

T. Veterans Affairs
1. Recommendations in no way affect this Department.

U. Budgeting and Accounting
1. Budgeting
   a. Recommends a "performance budget"
      This Dept. has been emphasizing this for many years
      Not clear whether the showing of administrative expenses as a separate function is recommended.
   b. Recommends a complete survey of the Appro. structure
      This D's appro. are on a functional basis and in less detail than those of other Departments.
      Still room for improvement here.
   c. Recommends segregation of "capital outlays" from "current operating" expenditures.
      Difficult to develop acceptable definitions for these terms.
      A strict interpretation of "current operating expenses" might place D. in unfavorable light with regard to payments to States and conservation payments.
      The adoption of a P.B. and the segregation of C.O. from C.O.E. would materially affect accounting operations in providing the information required in budget administration.
   d. Recommends the President's authority to reduce appropriate amounts (budgetary reserves) be more clearly established, but the intents of C. should not be hampered.
2. Office of Budget
   a. Estimates Division, Administrative Management Division and Fiscal Division should jointly review estimates.
   b. Recommends B.B. place greater emphasis on development of policies and standards to govern estimates preparation and improvement in the quality of agency budget and management and less to the review of estimates.
      Would center greater responsibility in D's budget officer
   c. Recommends B. B. be given means and authority to supervise all publications of Executive Branch.
      D. would no doubt be required to set up a comparable publications control function.
      Entire impact unpredictable.

A Government budget should answer one prime question - what is the money wanted for?

3. Accounting
   a. Establishment of Account General (heretofore mentioned)
   b. Inauguration of cite audit recommended
      Dept. should benefit from this - facilitate . . .
   c. Recommends simplification or elimination of present warrant system -- Myers made one dizzy . . .
   d. Recommends maintenance of accrual basis of accounting
   e. Recommends continuance of study of fidelity insurance for accountable officers of the Govt.

V. Personnel Management
1. Recommends reorganization of CSC to place primary emphasis on staff functions.
   Agric. Dept. would then assume final authority for personnel actions, position allocations.
2. The rule of three recommended for liberalization
   a. Would give supervisors more leeway
3. Classification - allocation of positions
   a. Prior approval of the CSC not required
4. Recommends CSC be given wide authority over pay plan for entire executive branch
   a. Maximum and minimum to be set by Congress
   b. Would annually review Federal compensation structure
      Some clerical and sub-professional positions would be be taken out from under the C.A.
      Wages fixed according to those prevailing in area.
5. Efficiency
   a. Present system recommended for abolishment
      Replaced by so-called ability and service record ratings.
      E.R. will no longer be used as element in making periodic pay increases, reduction in force, and separation for inefficiency.
6. Veterans
   a. Veterans will still get preference
   b. Not stated whether Vet. must have passing mark before getting preference added.
7. Recommends transfer of authority to develop patterns for personnel officers from BB to CSC.

W. Legislation pending
1. HR-2781:--To reorganize and simplify the procurement, utilization, and disposal of Government property and for other purposes.
   a. Administration's Bill -- so I am told.
   b. Transfers B. of F.S. to FWA.
2. Unnumbered bill:--To simplify the procurement, utilization, and disposal of Government property, to organize certain agencies of the Government and for other purposes.

Low grade employees salaries have been raised from 58 to 56%; high grade zero to 150%

An inexperienced college graduate may enter Government at #2,975 (CAFS 5 & P 1), just #7,355 less than the maximum which can be earned by Isp light executives and professional men with 30 months years of service

No. of Bill	Date	Introduced by	Principal Features of Bill
HR 2641	2/14/49	W. L. Dawson (Ill.)	Creates Office of General Services. Responsible for procurement, storage and issue, standards, specifications, quality control, property identification, property utilization and surplus property disposition. Creates a revolving fund of $50,000,000. Prohibits negotiated purchase or contract. Continuous property inventories must be kept. Property inventories reconciled twice each calendar year with fiscal inventories. Repeals Act Aug. 10, 1912 - purchase of typewriters & computing machines Act Aug. 10, 1912 - sale or exchange of animals & animal products. Act June 30, 1914 - Exchange of scientific apparatus & laboratory equipment. Act March 4, 1915 - Exchange of books. Responsible for selection of sites for public buildings. Responsible for functions relating to construction of public buildings. Prescribes regulations for management of records. Responsible for central storage of records. Manages storage centers. Responsible for reproduction by photographic methods. Responsible for disposition of unnecessary duplicate records. Functions of Archivist & National Archives Establishment transferred.

No. of Bill	Date	Introduced by	Principal Features of Bill
HR 2781	2/16/49	W.L. Dawson (Ill.) (Administration Bill.)	Transfers B. of F.S. to Federal Works Agency Liquidation of W.A.A. by F.W.A. directed Responsible for prescribing policies and methods of procurement of personal property, warehousing, stocking, transportation and distribution of personal property. Responsible for operating, consolidating or arranging for operation of warehouses, supply centers, repair shops. Advise agencies as to reasonableness of carriers' rates. See that each agency maintain adequate inventory controls, and accountability systems, and determine what is excess property. Responsible for reassignment of space. Responsible for disposal of surplus property--may be delegated. May decide to dispose of surplus property without regard to existing law until 12:00 noon (EST) 12/31/49 Shall transfer surplus agricultural commodities, foods, cotton or woolen goods to Secy. of Agriculture in connection with price support or stabilization. Responsible for establishing and maintaining supply catalog system and standard purchase specifications Annual report to Congress (Jan. 1) regarding functions and recommendations for Amendments to Act. Authority of Secretary under National School Lunch Act, Farmers Home Administration Act and Section 32 of Act of August 24, 1935 - exportation & domestic consumption of Agricultural products.

SENATE

15. INTERGOVERNMENTAL RELATIONS. S. 1946, as reported (see Digest 104), establishes a permanent national bipartisan National Commission on Intergovernmental Relations, of 15 members. Of these, the President would appoint 2 from the Executive Branch, 2 private citizens, 3 State officials, and 4 county officials (some of these would be on the basis of panels submitted by various organizations); the President of the Senate would appoint 2 Senators; and the Speaker of the House would appoint 2 Representatives. The Commission would be required to submit to Congress recommendations based upon a continuous study of relations between the National, State, and local governments. This would involve recommendations on (a) the possibilities and mechanisms for achieving, on a continuous basis, consistency in the fiscal policies of the various levels of government, and (b) the most desirable future allocation of governmental functions and powers among the National, State, and local governments, as well as the means of effecting such allocation. In the fiscal field, special attention would be given to intergovernmental tax immunities, revenue sources, grants-in-aid, tax sharing, etc.

Sen. Hendrickson, N.J., discussed the purpose of S. 1946, to establish a Commission on Intergovernmental Relations, and inserted Roswell Magill's Tax review article on Federal and State taxes (pp. 7772-3).

16. EXPENDITURES REDUCTION. S.J.Res. 108, as reported (see Digest 104), directs the President to make such reductions in the amounts to be expended by all agencies made available during the current session of Congress, for expenditure in the fiscal year 1950, as will aggregate at least 5%, but not over 10%, of the total amounts estimated for expenditure in the budget for that year by all agencies (defined as "Executive department, independent establishment, or corporation which is an instrumentality of the United States") adjusted to conform with the total amounts estimated for expenditure under appropriations and funds actually made available. Prohibits reduction of expenditures in an amount of over 20% for any agency. Requires the President to make a detailed quarterly report to Congress on these reductions, and the number of employees at the beginning of the quarter and the estimated number at the close of the quarter.

17. WATER UTILIZATION. Received a Calif. Legislature resolution urging action to adjudicate the rights of Ariz., Nev., and Calif. to the use of the Colorado River waters (p. 7768).

18. LEGISLATIVE APPROPRIATION BILL, 1950. The Appropriations Committee reported with amendments this bill (H.R. 5060) (S.Rept. 502) (p. D555).

19. PERSONNEL. The Post Office and Civil Service Committee reported with amendments S. 115, to amend the Veterans' Preference Act with respect to preference accorded in Federal employment to disabled veterans (S.Rept. 499); and S. 974, to amend the Veterans' Preference Act with respect to certain mothers of veterans (S.Rept. 500) (p. 7769).

20. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H.R. 1694, to provide for the return of rehabilitation and betterment of costs of Federal reclamation projects (S.Rept. 501) (p. 7769).

BILLS INTRODUCED

21. REORGANIZATION. S. 2055, by Sen. McCarthy (see Digest 104), which is intended to carry out the recommendations of the Hoover Commission regarding this Department, provides as follows: Provides for 3 Assistant Secretaries (one of whom would be the Administrative Assistant Secretary). Amends Sec. 32 so as to authorize appropriations instead of make appropriations. Requires that, before

submitting any proposed irrigation or reclamation project to the President or Congress, the Interior Department afford the Secretary of Agriculture reasonable opportunity to study the proposed project; and directs the Secretary of Agriculture to study such projects in the light of agricultural needs and to report thereon to the President and Congress.

Authorizes the Secretary to effect reorganizations of the Department by (1) transferring all or part of any subordinate agency therein, or all or part of its functions, to any other agency therein; (2) transferring all or part of the functions of any officer thereof to any other officer thereof; (3) consolidating or coordinating all or part of any agency therein, or all or part of its functions, with all or part of any other agency therein; (4) consolidating or coordinating all or part of the functions of any officer thereof with all or part of the functions of any other officer thereof; (5) consolidating or coordinating any part of any agency therein, or its functions, with any other part of the same agency or functions; (6) abolishing all or part of any agency therein (but not its functions); (7) abolishing the office of any officer therein, except those appointed by the President and confirmed by the Senate; (8) changing the name of any agency therein; or (9) doing any combination of the above. Provides that this provision shall not authorize a reorganization which would (1) continue any agency beyond the period authorized by law or beyond the time when it would have ended if the reorganization had not been made; (2) continuing any function beyond these periods; (3) authorizing any agency to exercise a function which is not expressly authorized by law; (4) imposing, in connection with quasi-judicial functions, any greater limitation on the exercise of independent judgment and discretion; or (5) increasing the term of any office beyond that provided by law.

S. 2072, by Sen. McClellan, Ark., to create a commission to make a study of the administration of overseas activities of the Government. To Expenditures in the Executive Departments Committee. (p. 7769.)

S. 2073, by Sen. McClellan, Ark., making certain changes in laws applicable to regulatory agencies of the Government so as to effectuate the recommendations regarding regulatory agencies made by the Commission on Organization in the Executive Branch of the Government. To Expenditures in the Executive Departments Committee. (p. 7769.)

22. CROP STORAGE. S. 2074, by Sen. Butler, Nebr., to provide for the deduction from gross income for income tax purposes of expenses incurred by farmers in erecting facilities for the storage of crops. To Finance Committee. (p.7769.)

23. RECLAMATION. H.R. 5134, by Rep. Hill, Colo., to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big-Thompson Federal reclamation project. To Public Lands Committee. (p. 7834.)

24. HOUSING. H.R. 5142, by Rep. Sadowski, Mich., to provide for direct Federal loans to meet the housing needs of moderate-income families, to provide for liberalized credit to reduce the cost of housing for such families. To Banking and Currency Committee. (p. 7834.)

25. EMPLOYMENT. H.R. 5146, by Rep. Lane, Mass., to create a Federal Unemployment Relief Administration to relieve unemployment by providing work on local public improvement and maintenance projects. To Public Works Committee. (p.7834.)

26. ALASKA SETTLEMENT. H.Res. 251, by Rep. Peterson, Fla., providing for the consideration of H.R. 4424, to provide for the settlement of certain parts of Alaska by war veterans. To Rules Committee. (p. 7835.)

No. of Bill	Date	Introduced by	Principal Features of Bill
S990	2/17/49	J. L. McClellan (Ark.)	Companionate bill to HR 2781
S991	2/17/49	"	" " " HR 2641
S___	5/ 49	"	Combination of S990 and S991
S1809	5/9/49	"	
H R 4754	5/18/49	Chet Holifield (Cal.)	companionate bill to S 1809

Establishes General Services Agency (S1809) General Services Administration (HR 4754). Agencies to be transferred:-Bureau of Federal Supply; Public Buildings Administration; Public Roads Administration; Abolishes Federal Works Agency as such; National Archives, War Assets Administration; (for liquidation); Office of Contract Settlement.
Requires maintenance of adequate inventory controls and accountability systems for property.
Permits transfer of excess property between Federal agencies at fair value.
Gives the administrator supervision over disposition of surplus property--must consult with Secretary on policies for disposing of surplus agricultural commodities.
Grants authority to Administrator to survey property and property management practices in agencies, cooperate in establishment of inventory levels, uniform catalog system and prescribe standardized forms and procedures.
Requires GAO to audit all types of property accounts and transactions.

Amends Section 3709 to permit purchases not exceeding $500 to be made without adversising.

"Management of the general services of the Government cannot be conducted efficiently unless these responsible units are brought under a common leadership and direction. In so doing, and recognizing that this is a relatively new field for the Government, the bill authorizes the Administrator to transfer, regroup, and distribute functions within the agency."

"The bill provides, generally, for uniform policies and methods of procurement, supply, and related functions. This is expected to stop the great losses previously incurred by the Government through competition of executive agencies for the same articles in the same markets, unnecessary buying, lack of quantity purchases, and other inefficiencies."

"As stated above, existing authority of the National Archives establishment with respect to records management is considerably limited. The committee feels, however, that even this limited authority will enable the Administrator of General Services to make at least a start in this field. Later, when this problem has been more thoroughly studies, the Congress might enact new and broader legislation for records management in line with the recommendation of the Commission on Organization of the executive branch of the Government."

"The committee feels very strongly that the economies resulting directly from consolidation of agencies are and should be only a beginning to the savings which will accrue to the Federal Treasury under the bill. Many millions more can and must be shaved from expenditures for property management through merger of common services and the resultant reduction of overhead and elimination of duplicatory activities. "

"This authority over procurement matters vested in the Administrator is a restatement of authority currently exercised by the Bureau of Federal Supply, except that the control over the purchases of wholly owned Government corporations is new."

"This [system of centralized procurement] does not mean that every item must be procured by a central agency, but only that such an agency must be responsible for determining how every item shall be procured, and for prescribing the manner of procurement which is best under the circumstances."

"This [requirement for property accounting system] is more flexible and vests more authority in the operating agencies than the recent independent offices appropriation acts...The committee urges cooperation between the Comptroller General and other agencies in order that operating needs and costs may be fully considered."

"The Administrator's reports on excessive stocking [of supplies] will enable the Appropriations Committees and the Budget Bureau examiners to make suitable reductions in appropriations and estimates."

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington 25, D. C.

May 16, 1949

To: Study Committee on Hoover Commission Recommendations and Chairmen of Subcommittees

From: W. A. Minor, Assistant to the Secretary

There will be a meeting of the Study Committee at 3:00 p.m. on Wednesday, May 18, 1949, in room 218-A, to consider the report of the Subcommittee on Federal Business Enterprises.

Copy of the report is attached.

Attachment

May 6, 1949 CONFIDENTIAL

Report of the Hoover Commission on Federal Business Enterprises

Summary of
Impact of Recommendations on the
Department of Agriculture

(1-a) Uniformity in borrowing powers, Government liability for corporate obligations, and budgetary presentation for corporations having like classes of loans undoubtedly would result in some undesirable changes in borrowing authorities and in methods of budget presentation.

(b) A requirement that corporate stock owned by the Government be held by the President or head of such agency as he might designate would have no adverse impact providing such designee was either the Secretary of Agriculture or the Secretary of the Treasury.

(c) Recommendation that policies be determined by Congress for disposition of surplus earnings of mixed-ownership and wholly-owned Government corporations does not affect the Department unless intended to reopen the question on FCA corporations including the Federal Land Banks.

(d) A requirement that major expenditures for capital additions could be made only with prior Congressional approval and appropriation would limit the flexibility in corporate operations and could seriously impair the carrying-out of the programs.

(e) Including a charge for interest on capital expended for capital additions during the period of construction would not be objectionable.

(f) To make all corporate boards advisory and appointed by the President would deprive the Department of the advantages of having certain Boards of Directors assume responsibility for policy and operations and would deprive private stockholders of a voice in management.

(g) The head of a Department or his designated representative should serve as ex officio chairman of advisory boards if such boards are established for corporations located in his Department.

(2) A requirement that corporations deposit their idle funds in the Treasury and receive non-interest bearing credit would deprive certain FCA corporations of a source of income, and adversely affect their ability to borrow in the commercial investment markets.

(3) Recommendation that certain straight-line business activities be incorporated apparently does not apply to any agency of the Department.

(4) The effect of extending business type practices to other agencies or activities, which could apply to REA or Section 32 funds, is unpredictable since it would depend almost entirely on the extent of the authorities granted.

(5) If FCIC, FHA, and REA were required to conduct their business so as to recover their administrative costs the effect would be to deny the benefits of the programs to a substantial number of farm families.

(6) The reporting of a charge for interest on non-interest bearing capital furnished by the Government, and any other variations in method of computing profit or loss, would cause confusion and misunderstanding as to the financial standing of the corporations, and could interfere with the sale of securities to the investing public.

(7) The deposit into Treasury of receipts arising outside of normal activities of a corporation or agency would not affect this Department adversely.

(8) The Commission recommendation to substitute a guarantee of loans for direct loans in nonemergency periods would eliminate the functions of FHA with respect to direct farm-ownership loans, production and subsistence loans, and water facilities loans.

(9 through 13) Refer to agencies outside the Department of Agriculture.
(14) The consolidation of FICB's, BC's, and PCC's would be an inconsistent and improper grouping of credit functions which might create an unfavorable reaction in the debenture market. The report also recommends eventual private ownership.
(15) The Commission is in error in stating that Congress has required that crop insurance premiums, after a certain period, provide for administrative expenses. Adoption of the recommendation intended would adversely affect the program.
(16) Restoration of the amount of capital impairment by appropriation rather than by cancellation of notes would not adversely affect CCC.
(17) The liquidation of FHA, and the substitution of first and second mortgage loans by the Federal Land Banks up to 90 percent of appraised value, with the second mortgage guaranteed by a new corporation, and production loans by the consolidated farm credit agency would deny assistance to the many farm families now unable to obtain credit from private or other Federal sources, and might affect the marketability of the Federal Land Bank bonds at reasonable rates.

Report of the Hoover Commission on Federal Business Enterprises

Impact of Recommendations on the
Department of Agriculture

Part I - General Recommendations

Recommendations for improvement of corporation charters

> Borrowing powers, Government liability for their obligations, and budgetary presentation should be made uniform for like classes of loans and like securities. (Recommendation No. 1-a)

It is not entirely clear as to what is meant by this recommendation. With respect to uniformity of borrowing, it apparently would require the substitution of some other method but the full impact of such a change cannot be determined until the uniform plan becomes known. It is believed that the present methods of borrowing followed by both the CCC and FCA should be continued. This Committee concurs in the dissent by Vice Chairman Acheson and Commissioners Pollock and Rowe in that "The organizational approach--treating together two-score agencies which happen to use one or more of the techniques of lending, insuring, or guaranteeing to achieve a variety of entirely different purposes--is wholly wrong. It violates the basic principle of organizing the executive branch by "major purpose" which was adopted by this Commission in its first report. These processes are, it is true, often similar, but the differences in purpose of the many agencies discussed herein are far more important".

In the budgetary presentation, the controlling factor should be informativeness instead of uniformity. Where a corporation has special classes of loans, securities, or other program activities, they must be shown as such in order that they may be understood by the Bureau of the Budget, the Congress, and the public. It is assumed that this reference to budgetary presentation does not include mixed-ownership or wholly privately owned corporations.

> The Government stock should be held by the President or the head of such agency as he might direct. (Recommendation No. 1-b)

It is assumed that this recommendation applies only to corporations included in the Government Corporation Control Act. If so, there will be no adverse impact providing that the Government stock is held by either the Secretary of Agriculture or the Secretary of the Treasury.

> The Congress should determine the disposition to be made of surpluses already earned by mixed-ownership corporations and establish policies for distribution of future surplus earnings by both mixed ownership and wholly-owned Government corporations. (Recommendation No. 1-c)

Any surpluses of partly owned Government corporations have been created from earnings accumulated pursuant to specific laws (1) specifying either that the Government had no distributive interest therein or (2) specifying the Government's distributive interest along with private stockholders in any dividends declared. This statement under (1) would apply to the Federal land banks if the Government still had any capital investment therein. As to the wholly-owned Government corporations, the Government Corporation Control Act, as amended, provides for annual review by the Congress in approving the budget programs of these corporations, to determine policy as to the payment of dividends to the Government. As to the banks for cooperatives, a bill (H.R. 848) pending in the Congress

embodies a plan covering such a determination, and has the support of the Department.

> Major expenditures for capital additions should be made only with prior Congressional approval and appropriation. (Recommendation No. 1-d)

It is assumed that this recommendation applies only to corporations included in the Government Corporation Control Act and, if so, would not affect Farm Credit Administration Corporations. The impact of this recommendation would require that CCC obtain an appropriation for various capital additions for storage. The Congress is presently considering an amendment to the CCC Charter which, if passed, would give approval under certain circumstances for the acquisition of various capital additions for storage or for other purposes. It is assumed that such general approval together with the proposed capital additions included in the various programs approved by the Congress in CCC's annual budget would constitute prior Congressional approval. Such acquisitions on the part of CCC should likewise be made from regular CCC funds and not from direct appropriation. They are a part of the cost chargeable against borrowings from the U. S. Treasury in the same manner as other elements in the price support and supply programs. A requirement that an appropriation be made for each major capital addition would limit the flexibility so important in the programs operated through CCC and thereby jeopardize the success of such programs.

> In determining the cost of construction, the corporations should include a charge for interest on capital expended during the period of construction. (Recommendation No. 1-e)

It is considered that there will be no adverse impact if this recommendation were placed into effect.

> Any boards or part-time boards established should be wholly advisory and be appointed by the President. (Recommendation No. 1-f)

The impact of this recommendation would change some of the boards of the corporations of the Department from a type which deals with policy and operations to strictly an advisory type. In some circumstances, the Department would favor advisory boards, and in such cases the recommendation has no serious impact. On the other hand, the Department has gone on record on several occasions of favoring a Board of Directors which will deal directly with policy and operations and not be only advisory. Congress is considering this problem with respect to the CCC at the present time. Both the House and Senate bills under consideration provide for an advisory board, members of which will be appointed by the President. In addition, both the House and Senate bills provide for a Board of Directors to deal with policy and operations.

The effect of this recommendation on the cooperatives (privately-owned and mixed-ownership) and the wholly-owned Government corporations serving the cooperatives in the Farm Credit System, would be to (1) transfer management responsibility from each board of directors to a single administrator, (2) abolish all boards of directors, (3) establish advisory boards serving for an attendance fee but with no management responsibility, and (4) deprive the private stockholders of the wholly privately-owned and mixed-ownership corporations of any right to elect directors or have a voice in the management of the corporations which they own in whole or in part.

> Where these corporations are located in a department or major Government agency, the heads of such agencies, or their designated representatives, should serve as ex officio chairmen of their advisory boards. (Recommendation No. 1-g)

Assuming that an advisory board were established as recommended in 1-f, it is considered that no objection would be made to this recommendation.

Investments in U. S. securities

> Business enterprises, unless exception is authorized by Congress, should be required to deposit their idle funds in the Treasury and receive non-interest bearing credit. This does not include trust funds. (Recommendation No. 2)

Adoption of this recommendation would have a serious adverse effect because it would deprive the corporations under the Farm Credit Administration, both wholly Government owned and mixed-ownership, of the right to invest in Government securities. Such a restriction would impair the ability of these institutions to obtain funds in the commercial investment markets at rates which would enable them to provide funds to agriculture upon a basis comparable with the interest rates enjoyed by other major industries; it would greatly reduce their borrowing capacity; the diversification of their assets would be seriously affected; income would be reduced and the building of necessary reserves greatly retarded; and seasonal accumulations of surplus funds would remain idle.

The Commission report, page 11, discusses the justification for the investment of reserves in Government securities in the case of corporations engaging in insurance operations and states that "the confidence of the insured may be increased by a financial statement which includes investments in Government securities". Holdings of such securities are equally important, and for the same reason, in the financial operations of the banks and corporations under the Farm Credit Administration which obtain their loanable funds from the investment markets and from commercial lenders, without Government guaranty which is in accordance with well establishing banking practices.

The capital structure of a corporation has a primary relationship to its borrowing capacity and the character of the securities in which its capital funds are invested has a direct bearing on the marketability of its obligations. Holdings of Government bonds supply an element of diversification of assets essential to sound business operations as such securities not only serve as a backlog in support of the outstanding obligations of the institution, in the absence of a Government guaranty, but also provide a means for meeting financial requirements in periods of stringent money market conditions. The ownership of Government obligations has been an important factor in developing a favorable market for debentures of the Federal intermediate credit banks and in enabling them as well as the banks for cooperatives to obtain funds through commercial bank borrowings on short notice and on reasonable terms.

Incorporation of business type enterprises

> Straight-line business activities should be incorporated. (Recommendation No. 3)

It does not appear that this recommendation was intended to apply to any agency

in the Department, inasmuch as the recommendation applies only to simple straight-line business enterprises.

Business type practices used by other enterprises

> Government business enterprises, which also have other activities not wholly of the business type, should be given the same flexibility of business practice, a business form of budget, accounting and audit systems, which are usually reserved for Government corporations; and that such agencies be required to set up their accounts so as to distinguish between capital expenditures and those to be charged to operations. (Recommendation No. 4)

Although it is not clear that this recommendation was intended to apply to any agency in the Department, in the event it should be held applicable to agencies and activities such as the Rural Electrification Administration or the Section 32 program, the impact is unpredictable, since it would depend almost entirely on the extent of the authorities granted. The latter part of the recommendation is similar to Recommendation No. 3 of the Commission's Report on "Budgeting and Accounting" which would provide for segregation of capital expenditures from operating expenditures for all agencies.

Recovery or identification of administrative expenses

> Business enterprises having administrative expenses paid entirely or partly by appropriations from Congress should either conduct their business so as to recover their administrative expenses or set out such subsidies as a part of their annual request to the Congress for appropriations. (Recommendation No. 5)

This recommendation was intended to apply to Federal Crop Insurance Corporation, Farmers Home Administration, and Rural Electrification Administration. The first part of the recommendation would require the Federal Crop Insurance Corporation to increase premiums and would require the Rural Electrification Administration and Farmers Home Administration either to increase interest rates or curtail services, or both. This, in turn, would deny the benefits of the programs administered by these agencies to a substantial number of farm families. With respect to the alternate recommendation, each of the organizations at the present time sets out its administrative expenses, or salaries and expenses, as a separate item in its annual budget requests.

Computing net profit or loss

> Both incorporated and unincorporated business enterprises should report specifically to Congress each year the extent to which earned income fails to cover: (a) interest on capital furnished by the Government, (b) losses on loans or investments, and (c) operating expenses. (Recommendation No. 6)

In the case of CCC, the Department believes that the segregation of income and losses must take into consideration the type of agency and type of programs carried out by it. It interprets the segregation proposed in the recommendation to be general in nature rather than specifically applied to each agency. It believes that the import of this recommendation is accomplished by the annual appraisal of assets and liabilities of the Corporation by the Treasury Department and the

report which is rendered to Congress by it. With respect to FHA and REA, there is no provision for inclusion of financial statements in their annual budgets and it would be extremely difficult to comply entirely with this recommendation until the accounting systems of these two agencies have been revised and unless adequate definitions are developed as to what constitutes "capital", etc.

In the case of FCA, the following comment is made. The stated purpose of this recommendation is to disclose on an annual basis the exhaustion of Government capital constituting a hidden subsidy. The wholly Government owned and mixed-ownership corporations of Farm Credit Administration are not required by law to pay interest on Government capital. Their accounting systems provide that there be established from earnings, to be adjusted annually, reserves for estimated losses on loans or investments. By this method, which is recognized as sound accounting practice, provision is made for losses in the year they become apparent rather than in the year they are actually recorded.

The recommendation, therefore, would result in a report that not only would charge tentatively or otherwise, against earned income of a given year a calculation of interest which is not an actual obligation, but also would charge against income of that year losses anticipated and provided for out of earned income of prior years, thus causing the resulting reports to be in disagreement with the financial statements released to the public. Such disagreement might in some instances be so misleading in the case of some of the institutions as to interfere with the sale of their securities to the investing public.

The adoption of this recommendation would appear to have no adverse impact on Federal Crop Insurance Corporation.

Use of Government revenues

> The Commission recommends that receipts arising outside of normal activities be paid into the Treasury, and sums necessary for the conduct of such agencies be appropriated by the Congress. (Recommendation No. 7)

This recommendation, apparently through a misunderstanding, refers to funds made available to the Department of Agriculture through Section 32 (Public Law 320, 74th Congress, as amended). There is need for clarification of the Commission intent since such funds are not made available to the Corporation. They are appropriated for use by the Secretary of Agriculture. These funds are not custom duties on certain agricultural imports. The amount of the appropriation each year is determined by establishing it equal to 30 percent of the gross custom receipts from duties collected under the custom laws during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year.

Part II - Lending, Guaranteeing, and Insurance Enterprises

Direct lending to private persons

> (a) Congress should review the power to make direct loans, taking into account the problems of economy, efficiency, and integrity; (b) that in nonemergency periods the Congress place restrictions on direct loans in order to insure that normal channels of credit are utilized to the maximum extent possible, or, alternatively, to

provide for the guarantee of loans made by private or established agencies. (Recommendation No. 8)

Farmers Home Administration is one of three major Governmental agencies specifically mentioned. Recommendation (a) would not be applicable to FHA because the Farmers Home Administration Act of 1946 requires that loans made thereunder take into account the problems of efficiency, and integrity. The first part of recommendation (b) would have no material impact on FHA because that agency makes no loans to applicants who can obtain private or cooperative credit on reasonable terms and conditions. The alternate recommendation in (b) would involve a substitute system of guaranteed loans for direct loans and eliminate the functions of FHA with respect to direct farm-ownership loans, production and subsistence loans, and water facilities loans.

It should be noted, also, that the Commodity Credit Corporation follows this recommendation as a matter of policy. However, when it is necessary to make a price support program entirely effective, the Corporation follows the practice of making direct loans in those instances where the farmers cannot obtain a loan through a lending agency.

(Recommendations 9 through 13 refer to Agencies outside the Department of Agriculture)

Farm Credit Enterprises

The Commission recommends that the Federal Intermediate Credit Banks, the Banks for Cooperatives, and the Production Credit Corporations be consolidated into a single system and borrowers required to purchase stock and the Government's stock gradually retired. (Recommendation No. 14)

This recommendation would have the effect of consolidating into one corporation three distinct types of institutions whose functions and responsibilities are entirely different. In order to handle properly the different types of activities such a degree of departmentalization of operations would be required that little or no saving in time or money would result and efficiency would be impaired.

The Federal intermediate credit banks are essentially banks of discount for agriculture. The production credit corporations do not make loans but are largely supervisory agencies for production credit associations. The banks for cooperatives make both long- and short-term loans to farmers' cooperative associations primarily to finance the marketing and processing of agricultural commodities, the purchase of farm supplies, the furnishing of farm business services, and for financing the acquisition of physical facilities required for such activities. The functions of these three groups are so distinctive in character that they do not lend themselves readily to consolidation into a single unit.

As stated, the intermediate credit banks are essentially banks of discount and since they obtain their lending funds primarily through the sale of non-government guaranteed debentures in the investment markets and by borrowings from commercial banks, it is essential that paper offered to them for discount be analyzed objectively from an independent viewpoint without concurrent responsibility for supervising the management of the local lending institutions offering the paper for discount. In this respect the relationship of the credit banks to the associations

is similar to that which the Federal Reserve Banks have to member banks. The separation of the discounting and supervising funtions has long been recognized in the commercial banking structure where the Federal Reserve Banks discount paper for commercial banks which, however, are supervised by the Comptroller of the Currency or by State banking authorities. To inject the intermediate credit banks into the operations of the production credit associations through the medium of supervision would be inconsistent with their respective primary functions and might easily create an unfavorable reaction in the debenture market.

Federal Crop Insurance Corporation

> The Commission states that the Congress has required that, after a certain period, the crop insurance premiums should include an amount for administrative expenses so as to place the Corporation on a self-sustaining basis. The Commission endorses this. (Recommendation No. 15)

The Commission's statement is erroneous. Section 516(a) of the Federal Crop Insurance Act has consistently provided for annual appropriations, not in excess of $12,000,000 for each fiscal year beginning after June 30, 1938, to cover the operating and administrative costs of the Corporation. Public benefits, resulting from crop insurance protection, justify the Government's contribution of administrative costs. To load premiums with administrative costs would undoubtedly result in reduced participation, making it progressively more difficult to operate successfully, with the possibility of ultimately destroying the program and thus losing crop insurance protection for the farmers together with inherent public benefits.

Commodity Credit Corporation

> Restorations by the Congress of the amount of capital impairment should be by appropriation rather than by cancellation of notes. (Recommendation No. 16)

The method followed in accomplishing restoration of impairments is one for decision by the Congress. Insofar as CCC is concerned, the restoration of capital under either method reflects similar results in the books of account and financial statements. The same result is obtained under either method. The Department has followed the policy of proposing the method of restoration of the Corporation's capital in the manner used by the Congress in the appropriation act of the prior year on the basis that the method used was a matter of Congressional policy.

Since the amount of any restoration is already included in the public debt and has already appeared as an expenditure in Treasury Department statements, there is doubt as to the purpose to be served by making a specific appropriation.

Farmers Home Administration

> For effecting the purposes of the Farmers Home Administration, Congress should consider giving authority to the Secretary of Agriculture to develop some such plan as the following:
> (a) That a modest government corporation be set up under the Agricultural Credit Administrator;
> (b) that the tenant farmer or applicant for a loan obtain a first-mortgage loan from a Land Bank on its usual terms;

(c) that the Land Bank furnish its appraisal to the corporations;
(d) that the corporation guarantee a second-mortgage loan to be made by the Land Bank, making total loans up to 90 percent of the appraised value;
(e) that this second-mortgage loan bear the same interest and terms as the initial Land Bank loan;
(f) that no such second-mortgage loan exceed $4,000;
(g) that the Land Bank service these loans on behalf of the corporation;
(h) that the Department of Agriculture furnish guidance and advice to the borrower through its established county organizations;
(i) that the corporation assist the farmer to obtain production loans from the proposed agency to be formed by consolidation of short-term lending farm agencies;
(j) that the FHA be liquidated - in the transfer of its functions, consideration should be given to the utilization of its employees;
(k) that the Land Banks liquidate the outstanding loans of the FHA for a fee, to be deducted from principle or interest recoveries on these loans;
(l) that the Agricultural Credit Administration be authorized to approve recommendations for compounding or settling outstanding loans. (Recommendation No. 17).

This recommendation is not as positive as some of the other recommendations of the Commission, in that it merely recommends that Congress consider giving authority to the Secretary to develop a plan as outlined. If Congress should adopt the suggested plan, FHA would be abolished. Land Banks would be authorized to make 90 percent real estate loans secured by first mortgages under their present authority and second mortgages to be fully guaranteed by a wholly-owned government corporation. The Land Banks would be required to liquidate the outstanding loans (both real and personal) of FHA for a fee. These provisions would require a drastic change in the business now being conducted by the privately-owned Land Banks and would prevent other private lenders, such as insurance companies, from participating in the insured mortgage program. The Federal land banks obtain their lending funds by the sale of consolidated farm loan bonds secured by first mortgage loans that are in no way guaranteed by the Government and are considered prime investments in the money market. Traditionally, the Federal land banks have never been authorized to make second mortgage loans and it is believed that second mortgage loans of the type proposed in this recommendation, and up to such a high percentage of the appraised value, would in many instances adversely affect the soundness of the related first mortgage loans, and that this type of lending operation would adversely affect the ability of the Federal land banks to sell their bonds in the money market at reasonable rates. For these reasons, the stockholders of the Federal land banks (the national farm loan associations and their member borrowers) will likely have serious reservations concerning this recommendation.

The plan also contemplates the separation of lending functions from supervising functions. This represents a material change in the present system of supervised credit administered by FHA. It is not clear just what assistance the insurance corporation would render a farmer in obtaining a production loan from the agency formed by the consolidation of the short-term lending farm agencies. Authorities for compromising and adjusting most of the loans administered by FHA are now contained in Public Law 518 and the Farmers Home Administration Act of 1946. The adoption of the proposed plan would deny assistance to nearly one million farm families which, according to the 1945 Census, do not have sufficient resources to obtain credit in normal channels.

Part III - Electric Power and Irrigation Enterprises

This part alludes to REA but no recommendation is made by the Commission. The statement of Chairman Hoover and Commissioners Flemming, Mead, Kennedy, and Brown specifically excludes REA.

NOTE: On page 48 of the Hoover Commission Report on Federal Business Enterprises is the following statement:

> "We recommend, in our report on the Treasury Department, that a National Monetary and Credit Council should be appointed by the President to coordinate and direct domestic lending and guarantees by the Government. * * * "

The Commission report on the Treasury Department, Recommendation No. 9, states that the purpose of this Council would be "to advise on policies and coordination of the operations of domestic lending and Government financial guarantees". It is assumed that the recommended purpose is as stated in the report on the Treasury and is advice on policies and coordination and not coordination and direction. The recommendation as stated in the Report on the Treasury Department would not affect Farm Credit Administration adversely.

Subcommittee:

Ralph Roberts, B&F, Chairman
M. J. Hudtloff, CCC
Howard Bertsch, FHA
T. F. Murphy, FCA
George W. Haggard, REA
G. F. Geissler, FCIC
E. W. Loveridge, FS
Howard Rooney, SOL

CONFIDENTIAL

April 6, 1949

Report of the Hoover Commission on the Department of Commerce

Impact of Recommendations on the Department of Agriculture

This memorandum refers to the main report and also to appendix N, the task force report on regulatory commissions. As yet, no task force report dealing with the Department of Commerce as such has been printed, but if one should be issued, this Committee will examine it and prepare a supplementary memorandum.

Commodity Research

The most important recommendation affecting the Department of Agriculture relates to this field. The full statement of the Commission (pages 28-30) is as follows:

"In its commerce activities, the Department is concerned with commodities after they enter trade, whereas the Department of the Interior and the Department of Agriculture are mainly concerned with raw materials up to the time of initial processing.

"It is impossible to draw a hard and fast line as to where the activities of other departments should cease, and the activities of the Department of Commerce should begin. It would seem appropriate that, when an article becomes a commodity in trade, studies of its distribution, consumption, and marketing should be handled by the Department of Commerce. At the same time, it is necessary to recognize that the farmer, for example, is interested in what is happening to his products after they become commodities in trade, as well as before that time. Therefore, the Commission recognized that commodity studies may legitimately be made not only by the Department of Commerce, but also by the Bureau of Mines, the Department of Agriculture, etc.

"It is, however, essential that major duplication between departments be eliminated.

"To accomplish this, it is important that informed and competent major commodity divisions be located in certain places in the Government. In many instances, the logical place is the Department of Commerce. The present duplicate commodity divisions in the Department, one for domestic trade, and one for foreign trade, should be consolidated and strengthened. By such emphasis, for instance, the Department of State, the National Military Establishment, and the National Security Resources Board can obtain adequate technical aid without the present duplication of effort and expenditure.

"There should be one individual in charge of the activities of the Bureau of Foreign and Domestic Commerce.

"Recommendation No. 14

We recommend that an interdepartmental committee be established between the Department of Commerce, Agriculture, Interior, and State to determine the fields of the different departments."

The foregoing statement is rather ambiguous. On the one hand, it suggests that studies of a commodity after it has entered the channels of distribution and consumption are the appropriate function of the Department of Commerce, yet at the same time recognizes that the Department of Agriculture has an interest in what happens to farm products after they have moved beyond the farm level. The conclusion is that commodity studies in the marketing and distribution field "may legitimately be made" by the Department. It seems rather clear, however, that the Department of Agriculture not only has an interest in, but a primary responsibility for, analysis of factors affecting the distribution, consumption and price of agricultural commodities throughout the production, processing and marketing structure. The economic and statistical analysis carried on by the Bureau of Agricultural Economics, the Bureau of Human Nutrition and Home Economics, and the commodity branches of the Production and Marketing Administration have characteristically dealt with the problems of farm products at any stage relevant to the interests of agriculture. This broad interest is clearly recognized and emphasized by the Research and Marketing Act of 1947.

Mention is also made of major duplications in commodity research between departments, and there is a suggestion that this can be accomplished by allocating commodity divisions exclusively to various departments. Presumably this suggestion would not in any event apply to agricultural raw materials up to the stage of initial processing, or even beyond this stage where the interest of the Department of Agriculture is clear-cut. However, even if the single commodity division principle is limited to other commodities, it is doubtful if it provides any general solution of the duplication problem. There are many facets to commodity problems and the most likely way to obtain increased efficiency in this field is to see that the various departments work on those aspects with which they are particularly qualified to deal. Concentration of all work on a single commodity in a particular agency for the purpose of avoiding duplication may have the result that important aspects of that commodity will not get the attention they require.

Insofar as this department participates in any interdepartmental committee as suggested in the report, the emphasis of this committee should be on maximizing contributions of the several agencies engaged in the various commodity fields rather than on the problem of dividing up commodities among the agencies. In this connection, it would seem that the powers of any interdepartmental committee will necessarily have to be to review existing commodity work and to make recommendations rather than "to determine the fields of the different departments."

However, the essential point is that any assignment of commodity functions in the interest of avoiding duplication should not be allowed to conflict with the Department's responsibility for carrying on analysis clear across the board with respect to any commodities produced by or of major concern to American agriculture.

Fisheries

The Commission also recommends that the work on commercial fisheries be taken out of the Bureau of Fish and Wildlife of the Department of Interior and transferred to the Department of Commerce.

The question of the location of work with respect to commercial fisheries is not within the scope of this report as this recommendation does not directly affect the Department of Agriculture. However, it might be pointed out that the interest of this Department includes an interest in fish and fishery products. Fish is part of the food supply. Consumption of fish is an integral part of the Department's estimate of total food consumption and the influence of fish and fishery products has to be considered in connection with problems affecting the total supply of and demand for agricultural food commodities. At the present time, the Bureau of Agricultural Economics actually publishes current estimates of fish consumption and this has been done with the fullest cooperation of the Fish and Wildlife Service, the results being of value to both agencies. If there is any transfer of the commercial fishery function to the Department of Commerce, steps should be taken to see that the present satisfactory relationships with relation to fishery statistics are continued.

Appendix N - Regulatory Commissions

Although this task force report is addressed to the Department of Commerce report, no analysis is required by this committee. Specific recommendations are made with respect to the United States Maritime Commission, Civil Aeronautics Board, Interstate Commerce Commission, Federal Communications Commission, Federal Power Commission, Federal Reserve Board, Federal Trade Commission, National Labor Relations Board, and Securities and Exchange Commission. In no instance do these recommendations appear to affect any aspect of the Department's organization or functions.

J. P. Cavin, Chairman (BAE)
A. R. DeFelice (Sol)
Robert Schwenger (OFAR)
L. B. Taylor (PMA)

CONFIDENTIAL

April 15, 1949

Report of the Hoover Commission Recommendations on the Overseas Administration

Impact of Recommendations on the Department of Agriculture

The overseas administration of overseas affairs of the United States Government is widely scattered. The set-up at present is as follows:

Overseas Areas & Functions	Responsibility in Washington
Island Territories and Possessions	
(a) Self governing (Alaska, Hawaii, Puerto Rico, Virgin Islands).....	Department of Interior
(b) Non-self governing (Guam, Samoa)....	Department of Interior
Island Occupied Areas (Carolinas, Marshalls, etc.).....	Department of Navy
Occupied Areas (Germany, Japan).....	Department of Army
Panama Canal.....	Department of Army
Foreign Property Liquidations.....	Department of State
Special Missions (Greece, Turkey).....	Department of State
Philippine War Damage Commission.....	The President
Philippine Alien Property Administration...	The President
American Battle Monuments Commission.....	The President
E. C. A.....	The President

The Task Force recommended that a new administration be set up which would be responsible to the President to include all of the above listed territories, areas, and overseas functions. This Administration of Overseas Affairs would work through the Department of State on policy matters and through the Military Affairs Establishment on military matters.

The Commission, however, did not accept the Task Force report but recommended that Congress direct a comprehensive study be made of the entire problem of overseas operation and administration. It suggested that the Security Council of the U.S. Government would seem to be a logical agency

to undertake such a study. The minority report signed by Herbert Hoover, James K. Pollock, and George H. Mead proposed that the Task Force proposal of an Administration of Overseas Affairs should be recommended and established immediately.

Neither the Commission nor the Task Force reports recommended any changes in the Department of Agriculture's responsibility for Extension Service and Experiment Stations in the island territories and possessions.

No mention is made in either report of this Department's interest in the occupied areas of Germany or Japan. The Department is definitely interested, however, in obtaining agricultural economic information from the occupied areas.

Fred J. Rossiter (OFAR)

April 7, 1949
(CONFIDENTIAL)
For Administrative Use Only

Report of the Hoover Commission on Social Security - Education - Indian Affairs

Impact of Recommendations on the Department of Agriculture

Part One - Welfare Activities - states that "The organizational problems of education, health, medical care, assistance to the handicapped and aged, and aid to the unemployed permeate every department of the Federal Government." It proposes to form a Department for Social Security and Education from the present Federal Security Agency as a base. It proposes to transfer the part of the Food and Drug Administration having to do with "food" from the Federal Security Agency to the Department of Agriculture. The part having to do with drugs would go to the proposed United Medical Administration. (Commissioners Pollock and Rowe felt that the Food and Drug Administration should remain, as a unit, with the other public health activities unless, and until, careful study shows its functions should be placed elsewhere because its basic concern is to protect the consumer.) (The Task Force on Public Welfare recommended transfer of the entire Food and Drug Administration to the Public Health Service.)

Part Three - Education - briefly refers to various educational activities in the agricultural field such as "institutional on-farm training", "higher education of special groups of individuals, or individuals in special fields (. . . Extension Service of the Department of Agriculture)", "on-farm training," "payments for agricultural research" and then states in Recommendation No. 7 that "This Commission believes, however, that these educational programs must be administered by the agencies whose functions the particular programs serve to promote." The recommendation is not explicit as to which specific activities of the Department it refers. There is particular doubt as to whether it refers to the school lunch program.

A statement with regard to educational activities (p. 31) that "Direct aid to local schools, with respect to . . . the school lunch program, has circumvented State departments of education" is in contradiction to the facts. The further statement that "There has not been sufficient coordination of the educational and nutritional aspects of the school lunch program" is not in accord with the Production and Marketing Administration's judgment on the situation. Area offices of PMA, under the direction of the Washington Office, have worked directly with State Departments of Education on all aspects of the school lunch program.

The Commission Report on Indian Affairs recommends that, pending discontinuance of all specialized Indian activity on the part of the Federal Government, the Bureau of Indian Affairs be transferred to the new Department for Social Security and Education. It indicates that "The Department of Agriculture will have to offer greater assistance to Indian owner-operators than to other private land owners," that "cooperative action between Interior, Agriculture and the new department can be mapped out," and lists some of the activities to be coordinated and their present locations.

Those within the Department of Agriculture were:

(a) Technical assistance - Department of Agriculture Extension services could be of service to Indians and should be part of Department's continuing activities in coordination with Indian Bureau.

(b) Soil Conservation - Prevention of erosion and improvement of soil conditions are needed on Indian lands and require the guidance of experienced Department of Agriculture personnel.

(c) Credit - Department of Agriculture's standard techniques in handling credit and related subjects can be applied to assist Indian farmers and grazers.

(d) Timber - Guidance and supervision of growth and cutting for sustained yield must be continued.

Frate Bull, FHA
E. J. Niederfrank, EXT
L. R. Trainer, PMA-FDP
George R. Phillips, Chairman, SEC.

April 7, 1949
(CONFIDENTIAL)
For Administrative Use Only

Report of the Task Force (The Brookings Institution) of the Hoover Commission on Public Welfare (Appendix P)

Impact of Recommendations on the Department of Agriculture

This report considers that activities such as health, education, employment, and relief and social security are in the field of "welfare."

It points out that "in the States the functions of health, education, employment, and relief are almost completely separate. Separate State departments or agencies carry on each of these major functions . . ."-consequently it appears that the National Government will have to legislate separately for these several functions. Therefore, it is extremely dubious that a single multi-functional department at the Federal level could have a single unified program, but rather the departmental program would have to consist of separate programs for each activity.

It further points out that some activities in these fields will necessarily remain in other departments where they are byproducts or joint products of other activities.

It recommends that, if a multi-functional agency is retained, no steps be taken which would reduce the status and prestige of the chiefs of the professional bureaus. In this connection, it recommends that the Children's Bureau be placed directly under the Federal Security Administration as an independent bureau.

Health

The report points out that over 75 civilian Federal agencies are engaged in some form of health activity. Overlapping and duplication is less than would be expected. Much of it is unavoidable and in some instances is desirable.

The so-called "Functional health service activities performed by various civilian agencies" are tabulated and designated as "primary" or "secondary." (Pages 28, 29, 31, 32) This treatment places a different connotation on the Department of Agriculture's "activities related to the protection of health" than indicated by the Department when information was supplied the Brookings Institution in that it implies that they are actually "health service activities" rather than "activities related to the protection of health." Most of Agriculture's listed activities are designated as "primary" health service activities.

The so-called "Total obligations for health and medical care activities in civilian agencies" are also tabulated. (Pages 39, 40, 41). The same change in connotation occurs here. Pie-charts show that the Department of Agriculture obligates 8 cents out of every public health dollar. By kinds of health activities, Agriculture is shown to obligate 4 cents of each dollar for State aid (largely extension grants) and 65 cents of each

dollar for regulatory functions (largely meat inspection). Small amounts are indicated as obligated by Agriculture for research, medical care and "other."

The study reveals that "it is possible to enhance our public health protection by interrelating the health functions of the various Government agencies into a coordinated plan. . . . Emphasis should be placed upon close interdepartmental and interagency cooperation, rather than upon fixing existing health activities into a new system."

It considers the development of a committee organization, or secretariat, necessary for an efficient, integrated over-all health program. Responsibility for its development should rest in the Public Health Service.

A further suggested coordination step is creation of an over-all committee or secretariat to coordinate the health, education and welfare activities of the Federal Government. This would be under the Federal Security Agency or, as a preferable alternate, in an expanded Executive Office of the President.

The report points out that various agencies of the Federal Government have implemented their services with those directly or indirectly related to health. They operate in agencies where they are related to the basic functions of the agency, as in the Department of Agriculture. The report states that "To isolate these health activities from their parent agency would rob them of their efficiency. They serve health better where they are now placed."

The report recommends that grants-in-aid to provide better health services should be considered as having passed the "experimental" phase and should be recognized as a reasonable and just function of the Federal Government. It recommends that the Federal Government, through grants-in-aid, technical assistance and other means, increase its participation in the solution of the rural health problem.

The report acknowledges Agriculture's postwar plans to promote a health-protection program among rural people and recommends (p. 69, 259):

<u>That the initiative and direction of such rural health protection activities should rest with the Public Health Service and not with Agriculture</u>
and
<u>That Agriculture should work in cooperation with the Public Health Service and keep it informed on health problems in rural areas</u>.

The report states that the problem of controlling the sanitary quality of milk has been a source of friction between the agricultural and health branches of government at all levels, and recommends that "<u>production of milk on the farm be the chief concern of Agriculture and that health agencies concern themselves primarily with control of processing and distribution phases of milk sanitation</u>." (p. 60, 126)

The report declares that efforts to improve nutrition must be an integral part of agricultural, health, welfare and educational programs of the

Government. Much of the nutritive work of the Federal Government would be carried out by the respective agencies in the broad fields to which nutrition makes a contribution. Certain activities would call for joint planning and cooperation between governmental agencies and non-governmental organizations. The Nutrition Planning Committee provides a partially satisfactory answer to educational and service program needs and warrants continuance and placement in an administrative setting that would facilitate well balanced handling of the interests of member agencies. (p. 82)

The report recommends that the Food and Drug Administration should be transferred to the Public Health Service in the proposed Section of Health Standards and Inspection in order to strengthen its law-enforcement powers. (The Hoover Commission recommended transfer of the part of the F.&D.A. having to do with "food" to the Department of Agriculture and the balance to a United Medical Administration.) It recommends that regulatory powers within the Department of Agriculture which are in any way related to human health should be consolidated under the Food and Drug Administration but is not specific as to what powers or activities might be involved (p. 67, 69, 259).

The report points out that the Virus, Serum, Toxin Act is administered by the Bureau of Animal Industry, Department of Agriculture and recommends that the control of animal biologics should be retained in the Bureau of Animal Industry, Department of Agriculture (p. 67, 69, 259).

The report states that the Bureau of Human Nutrition and Home Economics, as far as its health activities are concerned is well placed in the Department of Agriculture (p. 69, 248). Its cooperative service should be exercised, especially with the Public Health Service, Office of Education, Children's Bureau and other agencies concerned with health and welfare.

The report indicates confusion as to location of the Forest Service, but its comment about that agency's activities related to health is encouraging. "A number of agencies in the Department of the Interior, such as the Forest Service, . . . which control large tracts of land, perform activities incidental to health protection in the administration of their lands, waterways, and forests." It is recommended that these health activities should be continued. Emphasis should be placed on cooperation with other Federal and State agencies directly concerned with the promotion of health. (p. 71)

Confusion in understanding of the Department of Agriculture's organizational set-up is further evidenced by the statement that "The Secretary of Agriculture has two under secretaries and staff officers, who act as a cabinet for the Bureau of Agricultural Economics, . . ." (p. 247)

Education

The report states that there is needless overlapping between the school lunch program of the Department of Agriculture and this activity of the Office of Education. (p. 290) It recommends that: (1) responsibility for the administration of the National School Lunch Act (should) be placed in the Federal education agency; except that (2) the direct purchase and

distribution of food for price support and the listing of foods in abundance for priority purchase should be retained in the Department of Agriculture; (3) a small subsidy should be available to state departments of education where necessary to insure proper state administration and supervision of the act; and (4) the nutrition aspects of the program, although carried out by the Federal Educational Agency, should be done with the advice from the best informed agency of the Government in nutrition matters.

The report concludes that a dangerous tendency is in the making by (1) the preponderance of support ($31,000,000 in 1949) allotted to the agricultural extension program of essentially adult education to farm people as a favored class and (2) the current efforts of labor and other groups to obtain support for similar programs.

A question is raised as to whether the Graduate School of the Department of Agriculture is the beginning of a national university since its student body is 14 percent from Agriculture; 74 percent from other Federal agencies and 12 percent from outside Government and its studies run the gamut of the humanities, the natural and the social sciences. It is commended to the extent that it serves the in-service training needs of Agriculture's personnel. The suggestion is made that consideration be given to a plan whereby the needs for in-service training of a graduate nature in the fields related to the activities of the various Government departments be centralized in the Civil Service Commission with coordination and assistance from the Office of Education.

The report expresses the belief that the program in vocational agriculture should remain in the Office of Education, for to transfer it to Agriculture would weaken the state departments of education and precipitate the transfer to other Federal departments of several other trade and vocational programs. It also states that a suggestion to transfer the Agricultural Extension Service to the Office of Education has little to commend it.

Employment

No comment relating to the Department of Agriculture.

Relief and Social Security

No comment relating to the Department of Agriculture.

Federal Recreational Activities

Recreational activities of the Extension Service, as an educational agency, and of the Forest Service and Soil Conservation Service, as conservation agencies, are briefly described.

Frate Bull, FHA
E. J. Niederfrank, EXT
L. R. Trainer, PMA-FDP
George R. Phillips, Chairman, SEC.

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Personnel
Washington 25, D.C.

April 7, 1949

RESTRICTED - FOR ADMINISTRATIVE USE ONLY

To: W. A. Minor, Assistant to the Secretary

From: Melvin T. Johnson, Chairman, Study Committee on Hoover Commission Recommendations

Subject: Medical Activities

Recommendation No. 1 appears to be the only recommendation that directly affects this Department. It is a recommendation for the establishment of a United Medical Administration into which would be consolidated most of the Federal activities in the fields of medical care, medical research, and public health.

In this Department, the only direct medical care services are the employee care services. Our appropriation for such service is less than 3/10 of one percent of the total estimated medical and health services expenditures. That is an exceedingly small percentage as compared to the 85% which the Report shows is spent by the entire Federal Government for direct medical care.

Insofar as the Commission recommendations are concerned, it appears that if they were put into effect, the functions and personnel pertaining to the direct medical services would be removed from the jurisdiction of this Department into the proposed United Medical Administration.

The other health and medical service programs in the Department are only those that are an integral part of the regular programs for the technical and economic advancement of agriculture and the improvement in rural living. Examples of these are some of the research work of the Bureau of Animal Industry and nutrition and health education programs of the Extension Service. Inasmuch as these programs are a part of and are so closely tied in with the regular program functions of the Department, it is difficult to perceive how they could be divorced therefrom. It is not clear to what extent such a separation is intended.

M T Johnson

CONFIDENTIAL

Report of the Hoover Commission on Labor Department

Impact of Recommendations on the
Department of Agriculture

In general, the Hoover Commission recommendations seek to revitalize the Department of Labor by restoring to it various functions and by bringing under the Department of Labor several agencies which were once there or are considered to be more properly placed in that Department.

The organization of the Labor Department proposed by the Hoover Commission would have little impact on the Department of Agriculture except in two instances:

(1) recommendation No. 4, which would place the Selective Service System under the Secretary of Labor

As shown by dissenting opinion in the Commission, some members of that body had some reservations on the desirability of placing the Selective Service System in any of the existing executive Departments. There is much background for the view that the Selective Service System should be an independent agency under civilian control so that its administration can be completely objective and impartial. Under conditions of National emergency, we strongly believe the interests of agriculture in the manpower field could better be served through a Selective Service System functioning as an independent agency to which the various executive Departments could come as equals to present their respective viewpoints.

(2) recommendation No. 7, which provides for a broad assignment to the Bureau of Labor Statistics of the collection of data, research, and analysis relating to wholesale prices, living costs, employment, unemployment, working hours, wages, payrolls, and productivity.

Without explicit delimitation of the above assignment to the Bureau of Labor Statistics to nonagricultural employment, wages, productivity, etc. and to urban living costs, this recommendation could well have a serious impact on the present statistical activities of the Department of Agriculture. This would particularly affect the Department's program of collection and analysis of statistics on prices received and paid by farmers, farm employment and wages, and agricultural labor productivity.

Moreover, recommendation No. 7 ties in directly with the recommendations of the Hoover Commission on government statistical activities. A committee has already reported on these recommendations and has pointed out their impact on the statistical activities of the Department of Agriculture. (See dittoed report (1AR 583) dated March 8, 1949, entitled "Recommendations of the Hoover Commission on Government Statistical Activities: Impact of Recommendations of the Department of Agriculture.") In this report it is pointed out that the impact on the statistical program of the Department of Agriculture will depend on how certain crucial terms are defined by the proposed central statistical control agency and on the policies followed by such an agency.

CONFIDENTIAL

April 7, 1949

Report of Hoover Commission on Federal-State Relations

Summary of Impact of Commission Recommendations

The Commission's statements on Federal-State Relations are included in the same volume with "Over-Seas Administration" and "Federal Research." The recommendations could not be compared with the task force report since the latter, in four volumes, was submitted in typescript and, apparently, will not be printed.

Messrs. Dean Acheson, Vice-Chairman, and James Forrestal, Commissioner, dissented on the ground that both the report and recommendations "have little to do with the organization or even the functions of the executive machinery of the Federal Government," being "concerned chiefly with taxation, grants-in-aid, and other matters primarily in the realm of legislative policy."

The Commission's recommendations are briefly:

1. That the functions and activities of government be appraised to determine which can be most advantageously operated by the various levels.

2. That our entire tax system be generally revised and, in so doing, that every effort be made to leave adequate revenue sources to the local and State governments.

3. That "all grants-in-aid which are given to States directly be budgeted and administered on the Federal and State levels as are other Federal and State funds."

4. That the grant-in-aid plan and program be clarified and systematized. "A system of grants should be established based upon broad categories -- such as highways, education, public assistance, and public health -- as contrasted with the present system of fragmentation."

5. That "in order to accomplish all of these things in an adequate and orderly manner, a continuing agency on Federal-State relations be created with primary responsibility for study, information, and guidance in the field of Federal-State relations." (Underscoring supplied)

   "In cooperation with the Office of the Budget, this agency should develop a unified system of budgetary and fiscal control over the operation of all grants-in-aid. It should make available to the Congress data and information pertaining to the problem . . . And it should be an agency

which, on a continuing basis, would appraise our public needs, our resources, and ways and means for adjusting the one to the other in the interest of the American people."

No other information concerning this proposed new agency is given in the Commission report and, as already indicated, the task force reports are not available.

Impacts on the Department

Recommendations Nos. 1-4 would await the carrying out of No. 5, presumably by legislative action. Search to date has revealed no introduced bill appearing to embody No. 5.

The Commission's report is pretty vague and general. In the absence of more specific and definite data and statements, it is difficult to know concretely what was in their minds. In any case, substantive recommendations presumably would not be known until the new agency had been set up and in operation.

These conditions made very difficult an appraisal of the impacts of this report on the Department. One could say, "as of now -- none; potentially, could be considerable."

L. H. Wiecking
Office of the Secretary

CONFIDENTIAL

April 8, 1949

Report of the Hoover Commission on Federal Research

Scope of Work

The Commission states that it has made no independent study of organization for research in the Federal Government. The conclusions on which it bases its recommendations apparently are taken from the report of the President's Scientific Research Board.

Recommendations

The Commission recommends that (a) authority be granted to the President to coordinate research and to strengthen interdepartmental committee organization for this purpose, (b) a National Science Foundation be established.

Impact on the Department

Presumably these recommendations would have little immediate impact on the Department of Agriculture. The Commission's report recognizes this Department as one which has a staff organization for developing general research policy and indicates that the need now is for an organization to facilitate the development of research policy for the Federal Government as a whole. Should such an organization be perfected it seems probable that the Department's organization for research would fit very well into the general pattern.

F. H. Spencer (ARA-OA)

DEPARTMENT OF AGRICULTURE
WASHINGTON

MR. THATCHER
MR. NORBERG
MR. LUMAN
MR. WEIR
MR. WRIGHT

April 15, 1949

To: Study Committee on Hoover Commission Recommendations and Chairmen of Subcommittees

From: W. A. Minor, Assistant to the Secretary W.A.M.

There will be a meeting of the Study Committee at 2:30 p.m. on Tuesday, April 19, 1949, in room 201-A, to consider reports of the following subcommittees:

Reorganization of the Treasury Department
Regulatory Agencies
Reorganization of the Department of Interior
Reorganization of the Department of Commerce
Reorganization of Public Welfare Activities
Medical Services
Reorganization of the Department of Labor
Federal-State Relations; Federal Research

Advance copies of reports of the first three subcommittees listed above have been sent to you. Copies of reports of other subcommittees listed are attached.

Attachments

(CONFIDENTIAL)

Report of the Hoover Commission on Treasury Department

Impact of Recommendations on the
Department of Agriculture

Reorganization of Treasury Department along functional lines

> The Commission recommends a thorough reorganization along functional lines contributing to its major purpose as the fiscal center of the Government. It is also recommended that certain agencies be transferred out and others be transferred in because of functional relationships. (Recommendations 1 - 7, incl.)

Generally these recommendations covering internal reorganization of the Treasury Department do not directly affect the operations of the Department of Agriculture. However, the impact of two phases of the proposed reorganization is discussed in the reports of other Department committees as follows:

(a) Function of Bureau of Federal Supply to be absorbed in Office of General Services -- see "Report of Hoover Commission on Office of General Services."

(b) Establishment of Accountant General -- see "Report of Hoover Commission on Budgeting and Accounting."

Office of Liquidation in Treasury to examine and report on lending agencies in liquidation

> The Commission recommends that the Treasury Department examine and report to the President and the Congress semiannually upon all lending agencies in liquidation, and that the President be given the authority to delegate the work of liquidation to such agencies as he may determine. (Recommendation 8)

The apparent purpose of this recommendation is to inspect and stimulate the liquidation process and centralize in one agency the responsibility for overall reporting on liquidation progress. The Commission report is not entirely clear as to when an agency may be considered in the process of liquidation; however, specific reference is made to the Federal Farm Mortgage Corporation. There are other activities within the Department such as the Agricultural Marketing Act Revolving Fund and certain activities of Farmers Home Administration which also would be involved if such recommendation were adopted. As long as the actual work of liquidation is left in the Department and the functions of the Treasury are confined to examination and reporting, the effect might not be material; but the proposal has the inherent possibility of creating a conflict between the two Departments. The full impact of this recommendation would very largely depend upon its implementation and the extent to which it interrupts the present coordination and interrelationship of the operations of agencies and funds in liquidation with current operations of permanent agencies in the Department. Reports are now made by

the Secretary to the President and the Congress on all activities of the Department, including the progress of liquidation of agencies and funds and the corporations are subject to annual examination by the General Accounting Office; thus, the additional examination and reporting would appear to involve a duplication of effort and expense. The effect on this Department of the recommendation that the President be given authority to delegate the work of liquidation to such agencies as he may determine will depend entirely on the policies adopted.

Establishment of National Monetary and Credit Council

> The Commission recommends that there be established a National Monetary and Credit Council of domestic financial agencies in connection with the Treasury to advise on policies and coordination of the operations of domestic lending and Government financial guaranties. (Recommendation 9)

The purpose of the Council is to develop and recommend national policies in the domestic field which would promote coordination of purpose and avoid overlapping activities and inconsistent credit policies. Specific mention is made of Farm Credit Administration representation on the Council and presumably representation would also be afforded other credit and financial agencies in the Department because of their inherent interest in this field. The fiscal operations of the lending and financial agencies in the Department are at present coordinated with the Treasury Department and corporations are required to do so pursuant to the provisions of the Government Corporation Control Act. If the Council is established the Department credit and financial agencies should be represented and participation in such an undertaking would appear to offer no apparent problem as long as the activities of the Council are confined to advisory and coordinating functions.

Establishment of a Fidelity Insurance Fund in Treasury

> The Commission recommends that the Congress continue its study of the whole question of fidelity insurance for accountable officers of the Government. (Recommendation 10)

This recommendation has been discussed in the Department committee's report on "Budgeting and Accounting."

Submitted by:

J. C. Cooper, Jr., Chairman, B&F
K. A. Brasfield, PMA
J. D. Forbes, Solicitor's Office

March 28, 1949

CONFIDENTIAL (1 AR 505)
March 25, 1949

HOOVER COMMISSION REPORT
on
REGULATORY COMMISSIONS

Impact Upon Department of Agriculture

None of Hoover Commission recommendations has a direct impact upon present functions or activity of the Department. No transfers of function from or to the Department are involved.

The Department (FS, REA and possibly SCS) will be interested in the recommended transfer of power planning functions from Federal Power Commission to Department of Interior (Recom. No. 8). Present relations with Federal Power Commission appear to be satisfactory.

Recommendation 7 affects the administrative procedure process in all departments and agencies. It provides for studies to be made by the Management Division of the Office of the Budget, of ways and means to improve and thereby reduce the cost of disposing of business before "administrative agencies." This includes administrative disposition of controversies before all government agencies. It should be helpful.

Scope of Report

The report deals only with such independent regulatory commissions as (1) consist of a board or commission, (2) are not within an executive department, and (3) are engaged in regulating some form of private activity. Nine are named:

Interstate Commerce Commission	Federal Communications Commission
Federal Power Commission	Civil Aeronautics Board
Federal Trade Commission	Federal Reserve Board
U. S. Maritime Commission	National Labor Relations Board
Securities and Exchange Commission	

Digest of Recommendations

Administration, Tenures, Removals, Salaries, Bipartisan Membership

Recom. No.

1. All administrative responsibility to be vested in commission chairmen.

2. Law to be changed to provide that members of Securities and Exchange Commission, Federal Power Commission, and Federal Communications Commission be removable only for cause, as is the case with other commissions. (Dean Acheson, James Rowe, Jr., and James Forrestal dissent.)

3. Statutes to be amended to provide that a commissioner, upon expiration of his term, continue to hold office until successor has been appointed

and qualified. (Dean Acheson and James Forrestal dissent.)

4. Salaries of all commissioners and board members to be substantially raised.

5. Salaries of staff members to be increased to attract persons of high professional competence.

12. The rule of bipartisan representation to be extended to all commission.

Delegation of Authority

6. Statutes to be amended to permit commissions to delegate routine, preliminary and less important work to members of the staffs under their supervision.

Administrative Procedures

7. Administrative Management Division of the Office of the Budget should, with the aid of carefully selected legal consultants, suggest ways and means to improve and thereby reduce cost of disposing of business before administrative agencies.

The report suggests that these studies be concerned not only with the independent regulatory commissions but also with administrative disposition of controversies before all government agencies.

Transfer of Executive Functions to Executive Departments

8. Power planning functions of the Federal Power Commission to be transferred to the Department of the Interior.

9. The functions of ship construction and operation, charter, and sale of ships to be transferred from Maritime Commission to Department of Commerce.

10. Equipment inspection and functions relating to safety and car service to be transferred from Interstate Commerce Commission to Department of Commerce.

11. The promulgation of rules relating to safety of aircraft operation, both commercial and noncommercial, to be transferred from Civil Aeronautics Board to Department of Commerce, with right of appeal to Civil Aeronautics Board.

Task Force Report

Task Force recommendations appear to be in harmony with recommendations of the Hoover Commission, with one important exception. The Task Force report recommends that all regulatory functions in the field of transportation be consolidated in a single Transportation Regulatory Commission. This means that the Interstate Commerce Commission, Maritime Commission, and the Civil Aeronautics Board would be

discontinued as separate agencies. Commissioners Brown and Pollock favor this proposal (Com. Rpt. p. 19).

The Task Force report contains recommendations not included in the commission report, but which the commission suggests be given consideration. For example, the Task Force report recommends that the authority to determine margin requirements on securities transactions be transferred from Federal Reserve Board to Securities and Exchange Commission, with veto power vested in the Federal Reserve Board (TF Rpt. p. 150). The Commission report is silent on this. However, most Task Force recommendations not mentioned in the Commission report are in the nature of suggestions for improvement in management and internal operations and in relationships between agencies.

General Comment

It is significant that neither the Commission report nor the Task Force report (except as to transportation) recommends any consolidation of independent regulatory commissions. The Commission recommendations would not reduce the number of such agencies. Apparently the advantages of maintaining separate functional organizations in each specialized field is considered to outweigh the advantage of placing all regulatory activities under the same administrative tent.

J. M. Mehl, CEA, Chairman

S. R. Newell, PMA-ADM

S. A. Rohwer, ARA

C. W. Bucy, SOL

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3-30-49

Report of the Hoover Commission Recommendations on the Department of the Interior

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Impact of Recommendations on the Department of Agriculture

- - - - - - - - - - - -

I. Organization and Function Pattern Proposed in Relation to the Existing Structure of Department of Interior.

Functions to be Added to Interior from Other Agencies	Functions and Services now in Interior to Remain There	Functions Now in Interior to be Transferred out of Interior
1. Public Building construction (from F.W.A.)	1. Reclamation Bureau	1. Land Management functions of the Bureau of Land Management (to Dept. of Agri.)
2. Community Services (from Federal Works Agcy)	2. Geological Survey	2. Bureau of Indian Affairs (to a new department)
3. Major land construction. Work for Coast Guard	3. Bonneville Power Adm.	3. Commercial Fisheries (to Dept. of Commerce)
4. Hospital construction.	4. Southwestern Power Adm.	
5. Civilian Airport construction.	5. Bureau of Mines	
6. Dept. of Agriculture functions, relating to leasing of mineral lands.	6. National Park Service (Public Parks & Monuments)	
7. Investigations into Natural Gas Resources (from Federal Power Commission).	7. Division of Territories & Island Possessions (for time being)	
8. Government Tin Smelter (from R.F.C.) Advisory function on minerals to all agencies.	8. Division of oil & gas	
9. Flood Control & Rivers and Harbors Improvement (from Dept. of Army).	9. Administration of Mineral Leases, Land Title Records and reservations.	
	10. Wildlife and game fishing (Part of present Fish & Wildlife Service)	

(See Recommendation #3 p. 8; Recommendation #4, p. 10; Recommendation 8, Pp. 15 & 16)

The functions remaining in Interior and added to it would be grouped into four services. These are: -

1. Water Development and Use Service
   (This will include Flood Control, Reclamation, Power & Rivers-Harbors)
2. Building Construction Service
3. Mineral Resources Service
4. Recreation Service

The Division of Territories and Possessions is not included in any of these services, but is left attached to the Department of Interior on a temporary basis. (Recommendation #8)

This organization pattern is of particular interest to the Department of Agriculture from the following points: -

A. Flood Control - all activity of the Government dealing with major channel work, dams and other main channel engineering works devised for flood control and navigation would be centered in one service. (See Pp. 19, 20, 24; 26-35) The present place of the Department of Agriculture in upstream flood control is not challenged. P. 74 of the Task Force Report is explicit about this.

B. Electric Power - Power production and marketing activities are consolidated with water agency activities in one service, except those of the Tennessee Valley Authority and the Office of Indian Affairs.

C. Irrigation and Reclamation - The entire present functions of the existing Bureau of Reclamation remain intact, apparently. (See Rec. #3 and Pp. 22-24) The Commission presents the recommendations of the Task Force to the effect that "the Water Development Service should not engage in basic agricultural research" or duplicate services ordinarily provided to irrigation farmers by the Department of Agriculture. (First paragraph on Page 39) The Commission after stating this, did not incorporate these thoughts into their recommendations. (See Recommendation #13)

(With respect to paragraphs A and C above, the impact on the Department of Agriculture would probably be to:

a. Focus cooperative flood control activities of the Department of Agriculture to one Agency.

b. Bring about a better coordination of major stream channel engineering works, irrigation, flood control, etc., thus simplifying the Agriculture Department task of coordination with river channel activities.)

D. Land Management - A most important impact upon the Department of Agriculture is involved in the proposed transfer of the Bureau of Land Management (except mineral functions and land title records) from Interior to Agriculture. This would have the effect of giving the Department of Agriculture management and administrative jurisdiction over an additional area of approximately 1/2 billion acres (in contrast to about 188 million acres at present). Included would be Taylor Grazing District lands, Oregon and California revested grant lands, unappropriated and unreserved public lands in the continental U.S. and similar unappropriated and unreserved lands (approximately 320 million acres) in Alaska.

The principal mission of Interior would be the development of subsoil and water resources.

Land title activities would remain in Interior. The disposition of land mapping functions is not made clear. By implication (Recommendation #3b) it might be assumed that these functions of B.L.M. would be transferred to Agriculture.

E. Construction and Engineering Services - the establishment of a Building Construction Service will not result in the elimination of "routine engineering or architectural staffs" in other agencies (See first paragraph on Page 16). Only "major" construction work will be handled by the new Service.

F. Commercial Fisheries to Commerce - The Department of Agriculture as an organization concerned w ith food and fibre will wish to take note of the added importance given to commercial fisheries as a food source.(See Page 27 of the Commission Report on the Department of Commerce as well as Recommendation #3c of the Report on Department of Interior)

II. Problems of Program Coordination.

A. Board of Impartial Analysis (Recommendation #1)

This Board, reporting to the President and the Congress, would be the primary coordinating device on all projects proposed by the Department of Interior for irrigation, flood control and power. It would assure a hearing to the views of the Department of Agriculture in regard to proposed projects. (Pp. 4,5,6,39)

B. Mandatory review by the Department of Agriculture of Irrigation projects.

An agricultural report to the Board of Impartial Analysis would be made mandatory on all irrigation and reclamation projects. (See Recommendation #13, Page 39)

This will require that a full report on the agricultural aspects of a proposed irrigation project be prepared by the Department of Agriculture. It is no guarantee that the Department's views will be accepted but it does insure that such views and recommendations will be drawn up and presumably made known. It should result in greater consideration of agricultural problems from the very outset in the preparation of irrigation and reclamation project plans.

C. Drainage Area Advisory Commission. (Recommendation #11, Page 39).

Advisory boards for major river drainages would be established on which the proposed Agricultural Resources Conservation Service of the Department of Agriculture would be represented.

Duplication of basin-wide surveys by several agencies, including "watershed surveys of the Department of Agriculture" is mentioned in the text (p. 29, 2nd paragraph) but no remedy is proposed other than in Recommendation No. II to create Drainage Area Advisory Commissions.

A failure of inter-departmental committees to obtain coordination is indicated (Page 29, 4th paragraph), but nothing is said regarding the manner in which the Drainage Area Advisory Boards would materially differ from existing inter-departmental basin committees, except in name and in agency representation.

D. Comparable regional organization patterns for the proposed "Water Development Service" and the "Forest and Range Service" along river basin lines is suggested (Page 37, 2nd paragraph) in Task Force wording quoted in the Commission Report. The Commission does not follow up the suggestion but leaves the idea dangling. If pursued, such a proposal could be very significant for the Department of Agriculture.

III. Planning and administering construction to aid in preventing unemployment. (Page 18)

The need for long term advance planning of public works and the scheduling of construction operations to mitigate mass unemployment is recognized. Agencies such as the Forest Service, the Soil Conservation Service, R.E.A. and the Marketing Facilities Branch of PMA will be concerned with this function of the proposed Building Construction Service.

No specific recognition is given to including "non-construction" types of public works in the established reservoir of public works.

IV. Collection of Hydrologic Data.

While no specific recommendation is made regarding this, the subject is discussed and the great deficiency of fundamental data pointed out. Consolidation of agencies dealing with water are considered "essential to remedy this grievous situation" (Page 33). Attention is called to siltation problems (Page 35) which are of course closely related to farm and upstream land management problems which are a responsibility of Agriculture. Wording of the Task Force Report is included in the main Commission Report (Page 34) which incorporates in the recitation of hydrologic data needs such items as precipitation, run-off, and evaporation relationships with soil condition, vegetal cover, transpiration, etc.

V. Study leading to the revision of mineral laws is cited as an existing need. (Page 44).

This proposal if carried out would be helpful to the Department of Agriculture. To an expanded Forest and Range Service it would be a very necessary step toward facilitating the management of surface resources.

VI. Recreation Service (Page 47).

A. There is a direct quotation from the Task Force Report incorporated in the Commission Report without elaboration which indicates a lack of correlation between the National Park Service and the Forest Service. As written, the statement seems to be overdrawn.

B. The separation of commercial fisheries functions from the Fish and Wildlife Service will not essentially destroy the present cooperative working relations between that Service and agencies of the Department of Agriculture as the functions remaining with the Department of Interior are the ones of principal concern to the several agencies of the Department. The effect of transferring commercial fisheries to Commerce and their bearing on the food supply is not mentioned in the report.

VII. Comments on remaining recommendations not mentioned in preceding discussion.

A. Recommendation #10 (Clarification and codification of laws pertaining to the Bureau of Reclamation). Reforms in finance, budgeting, accounting and business management aspects of electrical and irrigation phases of water development are urged. If properly carried out such reforms might prove beneficial to the Department of Agriculture relationships to the work carried on in the proposed Water Development and Use Service.

B. Recommendation #12 (International Boundary Streams). Of slight concern to the Department of Agriculture. Any working arrangements developed should give recognition to interests of agencies administering public lands and waters along international boundaries.

Separate Report by Vice Chairman Acheson, Commissioners Pollock and Rowe

This report recommends the creation of a Department of Natural Resources. The Department would consist of:

1. Fish and Wildlife Service
2. Geological Survey
3. Bureau of Mines
4. National Park Service
5. Oil and Gas Division
6. Forest and Range Service
   (a) Forest Service
   (b) Bureau of Land Management
   (c) Forest Insects and Disease Research
7. Water Development Service
   (a) Bureau of Reclamation
   (b) Army Engineers
   (c) Power Marketing Functions
   (d) River Development Functions, Federal Power Commission
   (e) International Boundary Stream Functions

The report recommends the creation of a board of review in the Office of the President which is somewhat similar to the Board of Impartial Analysis suggested by the Commission report. TVA would remain an independent agency, but the report opposes setting up additional Regional Authorities. It says existing inter-agency river basin committees are ineffective. This report follows closely the recommendations of the Task Force Report on natural resources.

Dissent of Commissioners McClellan and Manasco

In this report the two Commissioners object to the transfer of the Army Engineers to either the Department of Natural Resources or the Department of the Interior. All sections of the Commission report affecting the Army Engineers are the subject of objection.

Individual Dissent by Commissioner Forrestal

The Commissioner disagrees with the recommended transfer of the Bureau of Land Management to the Department of Agriculture, and recommends that the Forest Service be transferred to the Department of the Interior. Also disagrees to the transfer of the commercial fisheries from the Fish and Wildlife Service to the Department of Commerce. Disagrees to the transfer to the Department of the Interior of the responsibilities for the construction of all public buildings. Objects to the recommendation of the Commission that no irrigation or reclamation projects be undertaken without a report to the Board of Impartial Analysis by the Department of Agriculture. Comments on the inadequacy of the Commission's report in the treatment of petroleum as a natural resource.

Committee:
Ralph R. Will, (Secty) Chairman
George W. Haggard, REA
E. W. Loveridge, FS
E. F. Mynatt, Sol. Off.
H. D. Abbot, SCS

DEPARTMENT OF AGRICULTURE
WASHINGTON 25, D. C.

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

April 7, 1949

Talk on Hoover Commission Study of
Departmental Management

Professor John D. Millett of Columbia University will speak at 2 o'clock on Monday, April 11, in Room 218 Administration on

The Hoover Commission's Recommendations
on Departmental Management

Professor Millett conducted a study of management in Federal departments for the Hoover Commission and, with H. Struve Hensel, prepared the Task Force Report on Departmental Management. Mr. Millett's talk will supplement the discussion by Mr. Don Price at the luncheon on April 5 with respect to the President's Office and the general philosophy of the Commission, and will deal specifically with the findings and conclusions of the Commission with respect to responsibility for and facilities and organization needed to insure effective management within the Federal departments.

We feel that Professor Millett's talk, like that of Mr. Price, will add a good deal to our understanding of the Commission's thinking and recommendations.

I. Thomas McKillop

I. Thomas McKillop
Chairman, Organization and
Methods Conference

Mr. Lemon

DEPARTMENT OF AGRICULTURE
WASHINGTON

March 31, 1949

ORGANIZATION AND METHODS CONFERENCE

Luncheon Meeting on Tuesday, April 5

Don K. Price, Associate Director, Public Administration Clearing House, will speak at the next luncheon of the Organization and Methods Conference on Tuesday, April 5, at 12 o'clock in room 6962 South on

The Hoover Commission's Report on
General Management of the Executive Branch

Mr. Price worked with former President Hoover on this report, with particular attention to the role of the President and the President's Office in management. Mr. Price is therefore in a position to explain the thinking of the Commission in connection with the recommendations which it made with regard to management, and to explain these recommendations in greater detail.

Please call extension 3321 and make a reservation if you plan to attend.

I. Thomas McKillop

I. Thomas McKillop
Chairman, Organization and
Methods Conference

18 reports with includes a summary of all - May 28th
Contract man prepared bills
Recommendations we took first not included in the report
because committee could not agree on such recommendation

Personnel

Notations on report

Office of General Services

Preparation of statement on operation and maintenance
to go into statement to White House - Salisbury and Donaldson
are to prepare

General management

[July 21
" 28
Mar. 11]

Report to be made to President

March 25, 1949

To: A. J. Loveland, Under Secretary

From: Arthur B. Thatcher, Chief, Office of Plant and Operations

Subject: Recommendation of the Hoover Commission on the Department of Agriculture

The following information is submitted in accordance with the request contained in your memorandum of March 18, 1949 and is intended to reflect the effect of the recommendations of the Hoover Commission on this Office should such recommendations be adopted.

A. Internal:

1. The report of the Hoover Commission on the Department of Agriculture does not mention the Office of Plant and Operations as such, but the proposed reorganization of the Department shows that there would be included under the Administrative Assistant Secretary a Management Research Officer, Supply Officer, and a Publications Officer. Segments of this Office when considered both on a functional and organizational basis might conceivably be placed under the supervision of these three offices.

The Management Research Officer would be a new position (See Report of the Department's Committee on the impact of recommendations of the Hoover Commission on General Management of the Executive Branch). If it can be correctly presumed that this Office would conduct surveys and studies on organization, procedures, and other management problems, then it would seem that the Records Administration Division, the Technical Services Division in part, the management and regulatory activities of the Real Estate Division including consolidated housing studies, as well as the position and duties of the Technical Assistant to the Chief, Office of Plant and Operations, might properly be transferred to this Officer.

On the other hand, if the Supply Officer which is also a new position (See Report of the Department's Committee on the impact of recommendations of the Hoover Commission on General Management of the Executive Branch) is responsible for the operation and management of all functions

March 25, 1949

consolidated in the Office of General Services (See report heretofore mentioned in this paragraph), then it would seem that most of the functions of this Office would be placed under such Officer. One possible exception is the accounting, supply, budgetary, and personnel services now being furnished to the Office of the Secretary by the Administrative Services Division. If the Administrative Assistant Secretary should decide that the head of each staff service should maintain its own supply, accounting, budgetary, and personnel services, the Administrative Services Division would be abolished. On the other hand, should he determine to continue the present pattern, the Administrative Services Division might be enlarged so as to provide these same services for the General Counsel, Publications Officer, and the Librarian.

2. It is conceivable the Administrative Assistant Secretary might conclude that reproduction (duplicating and photographic) is properly for transfer to the Publications Officer.

B. External:

1. In view of the above comments nothing further need be said with regard to transfers to or from this Office of functions, responsibilities and authority.

C. Outside the Department:

The Departmental committee, on which this Office was represented, which reported on the impact of the recommendations of the Hoover Committee on the Office of General Services - Supply Activities included the following subjects in its report:

Records Management

"It is not anticipated that this recommendation will have any appreciable impact on this Department. The content of the records management program already being conducted in this Department appears to conform substantially with the minimum content specified in the task force report. However, the adoption of the task force proposals may require that we expand our records management program to include the following activities:

"(1) The task force recommendations, if adopted, would undoubtedly impose certain controls that do not now exist on the development, issue, standardization, use, design, methods of filing, and ultimate disposal of all forms. The task force also recommends 'controls on requirements for, and submission of reports, eliminating obsolete reports, unessential copies, too frequent reporting and unessential filing of reports, coordinating or reporting to eliminate overlapping, duplication and fact-gathering.'

associations in the Office of General Services (the report investigator questioned in view mentioned). When it would come this month of the functions of this office would be placed under such office. The personnel office analysis is the accounting, supply, budgetary, and personnel services now being furnished by the Office of the Secretary of the Distributive Services Division. If the Administrative Assistant Secretary would decide that the head of such staff service should make the job supply, accounting, budgetary, and personnel services, the administrative functions should be qualified. In the other hand should be determine to combine the present policies, the administrative employee positions (8) be assigned so as to provide these same services for the General Counsel, Publication Office, and the Librarian.

2. It is recommended the Administrative and state Department at the establish that reproduction (duplicating and photographic) is properly for transfer to the Publications Office.

3. Reports:

1. In view of the above concerns nothing Kitchen-Jones is said with regard to procedures to or from this Office of Operations, responsibilities and authority.

4. Monitor the Department:

The Departmental questions, as within this Office was concerned, which required on the report of the recommendations of the Secretary Committee on the Office of General Services - Supply activities included by a Committee subject in the report:

Supply Activities

Why is you anticipated that this reorganization will not be appropriate figure in this Department. The Assistant of the Department assignment (Office already doing relating as this Department and supply to contract substantially that the activity contract specified in the Task Force report. However, the activities of the task force provides for implies that on signed for results and report should supply to include the following activities:

(1) The Task Force recommendations, it stated, which is Distributive Services activity that is not a mere matter as the development, issue, distribution, use, design, initiate of filing, and internal disposal of all forms. The Task Force also recommends "supply as requirements for, and procurement of supplies, filing, duplicating equipment, maintenance that implies, the Department supplying and commercial filing of supplies, controlling or requiring in electronic duplicating, duplicating and photographing.'

"(2) Correspondence management. Would require the inclusion of controls to provide for streamlining and reducing voluminous correspondence.

"(3) Application of office machines and equipment. Very little impact.

"(4) Records inventory. The task force report proposes 'periodic inventory of all records.' This requirement may impose quite a burden on agencies of the Department. The extent of that burden will depend on the frequency and kind of inventory ordered.

Records Centers.

"A new central records service is proposed, to consolidate and reduce the records centers which various Government agencies now operate, and to direct the work of these regional records centers along with that of the National Archives.

"The impact of this proposal will depend largely upon the location of the centers and the availability of the records to be placed in them. If the records are not readily accessible, it could seriously interfere with the activities of the Department. Agencies of this Department having large accumulations of records in the field may be affected by this plan."

In a subsequent memorandum to Mr. W. A. Minor on this subject the following was submitted for inclusion in a report to the President:

"This Department has in effect a records management program and favors the creation of a Records Management Bureau in the Office of General Services designed to provide leadership in this field. New legislation and regulations are needed but in view of the diversities of Government, should be developed cooperatively with the agencies."

Operation and Maintenance of Public Buildings

"While there are no task force reports, as far as can be determined, and only three recommendations, the spirit of the report coupled with the recommendations indicates a desire to maintain present operations with some strengthening and expanding of authorities.

"The recommendation that authority be given to a central agency to maintain and operate Government buildings could involve the transfer of maintenance responsibility of Department controlled buildings in the field (i. e., Forest Products Laboratory, Regional Laboratories, etc.). Of all the recommendations, this appears to be the only one for which the Public Buildings Administration presently lacks authority.

Feb. 2, Tuesday

"(2) Temporary employment. Small results are indicative of capacity to perform the evaluation and provide valuable experience.

"(3) Qualification of office employees in analysis. Very little effort.

"(4) Specific questions. The May first report indicates that it is premature to undertake specific questions and answers on the subject of the employment and kind of literary material.

Working Policies.

A new central records service is proposed, to consolidate and reduce the records centers with various departments, eliminate dead records, and to direct the work of these regional records centers along with that of the Federal Archives.

The report of this program was mailed Friday when the Director of the Budget and the Archivist of the United States to be present at the hearing. If the records are not really valuable, it would seem logical that the activity of the Department, Bureau or the Federal Agency having more evaluations of records in the field may be superior to this plan.

In a discussion which ensued, Mr. R. L. Olson at this meeting the following was submitted for inclusion in a report to the President:

"This Department has in mind a review of management problems and forms the operation of a Security Management Bureau in the Office of General Services designed to provide leadership in this field. The Legislature and regulations are needed but in view of the discussion it is increasingly should be developed cooperatively with the Archives."

Operation and Maintenance of Public Buildings

"Will's report are in hand from Atlanta, so far as and be determined, and only those recommendations, the quality of the report's suggestions with the recommendations fulfilling a desire to maintain present relations with Atlanta Archivists and an value of authorities.

"The representative (Mr. McCarthy) is going to a general survey to maintain and operate Government Building and Grounds and Director of Maintenance responsibility of Government maintenance facilities in Atlanta (e.g. Atlanta Penitentiary, Federal Correctional Institution, etc.). In the recommendations, this question is the only one for which the public building administration prescribed under guidance.

"At the present time authority to enter into leases (up to one year) is given to certain officials of the Department of Agriculture by virtue of authority granted by the Secretary. It is conceivable that under the suggested reorganization, delegation of similar leasing authority would be granted by the Administrator, Office of General Services.

"The Reports recommend that the Office of General Services carry out these responsibilities with a spirit of inter-agency cooperation and that authorities and responsibilities be delegated to Departments and Agencies to the greatest possible extent."

The Commission report on the Department of the Interior, just released, provides that construction activities should be consolidated in that Department, including the construction activities of the Public Buildings Administration. The Real Estate Division of this Office is now charged with the responsibility of coordinating administrative construction, and it has been our experience that space management and maintenance functions must be coordinated with actual construction, and that to separate these functions, as proposed, between the Office of General Services and the Department of the Interior would be neither efficient nor economical. We recognized this fact in our report to Mr. Minor on Office of General Services as follows:

"The inclusion of the operation and maintenance of public buildings as a function of the Office of General Services appears logical except where such buildings are special purpose in design to serve a single agency. Although no opinion is expressed, it is believed that the design and construction of public buildings as well as their operation and maintenance and the field of leasing should be continued intact and not placed in separate agencies."

In connection with the operation and maintenance of public buildings it appears desirable to point out that this Office which serves in a liaison capacity with the Public Buildings Administration and the Post Office Department might be called upon to add the Interior Department in accordance with above-mentioned Hoover Commission report on that Department.

2. This Office is responsible for the operation of several consolidated services and for leadership on a number of programs. From the experience gained through the operation of these services and programs, we say unequivocally that through the consolidation of services and over-all responsibility for programs such as records and space management a Department can best assure itself of receiving the most economical and efficient service.

3. I have no recommendations to make under this heading at this time.

Arthur B. Thatcher

Arthur S. Thacker

MAR 1 1 1949

(CONFIDENTIAL)

Report of the Hoover Commission on Budgeting and Accounting

Summary of
Impact of Recommendations on the
Department of Agriculture

Reform of the Budget

(1) A "performance" budget based upon functions, activities, and projects is in keeping with the Department's policy of presenting its budget justifications on a functional or project basis.
(2) A survey of the appropriation structure would be beneficial if further simplification of the appropriation structure and language could be obtained.
(3) A segregation of capital outlays from current operating expenditures would appear desirable provided acceptable definitions could be developed.
(4) Authority of the President to establish budgetary reserves should be clarified.

Office of the Budget

(5 and 6) The effect of closer internal relationships among the divisions of the Office of the Budget and between those divisions and agencies outside the Office of the Budget would depend almost entirely upon the working policies ultimately adopted to implement the recommendation.
(7) Greater emphasis in the Office of the Budget on the development of policies and standards to govern estimates preparation and improvement in the quality of agency budget and management work, with less detailed review in the Office of the Budget, would raise the level of consideration in the Office of the Budget to a program or "performance" level leaving greater responsibility for the operational detail in the agencies.
(8) The effect of giving authority to the President (to be exercised through the Office of the Budget) for supervision of all publications of the Executive Branch, would depend largely upon the extent of the authority given and the operating policies ultimately adopted.

Accounting

(10) The establishment of an "Accountant General" under the Secretary of the Treasury with authority to prescribe and enforce general accounting methods and procedures subject in some respects to the approval of the Comptroller General, involves a jurisdictional question, settlement of which should not materially affect the Department's operations unless the final decision results in additional layers of authority governing the prescribing and approving of accounting systems and procedures.
(11 and 12) Recommendations pertaining to detail accounting operations such as the provision for summary accounts of Government operations, the settlement of claims, the auditing of vouchers, simplification or elimination of the warrant system, etc., would tend to simplify the present fiscal procedures.
(13) A study of fidelity insurance for accountable officers would be desirable.

(CONFIDENTIAL)

Report of the Hoover Commission on Budgeting and Accounting

Impact of Recommendations on the Department of Agriculture

Reform of the Budget

Performance Budget

> The Commission recommends a "performance budget" based upon functions, activities, and projects. (Recommendation No. 1)

If adopted, this recommendation would put into effect a major budgetary reform which the Department has been emphasizing for many years through its presentation of budget justifications primarily on a functional or project basis.

However, it is not clear whether the Commission report recommends a showing of "Administrative" expenses as a separate function. If such is the intent, past experience indicates that considerable difficulty would be encountered with respect to both budget presentation and budget execution because of the difficulties of obtaining uniform application of any definition developed and the probability of inflexible limitations which could not be adjusted as required because of program changes. In general, the Department has followed the theory that program costs should embrace all costs including administration and consequently has been eliminating gradually the item "Administration" in the project breakdown.

Survey of appropriation structure

> The Commission recommends to the Congress that a complete survey of the appropriation structure be undertaken without delay. (Recommendation No. 2)

By and large, agricultural appropriations are on a functional basis and are less detailed than those of most other Departments. Even so, there are still unnecessary complications, perhaps some instances of excess wordage, and a number of limitations and sub-appropriations which might be improved or consolidated under a general program for reform of appropriation structures; consequently, such a survey appears desirable.

Segregation of "capital" from "operating" expenditures

> The budget estimates should be divided into two primary categories -- current operating expenditures and capital outlays. (Recommendation No. 3)

Assuming that acceptable definitions could be developed the proposal for the segregation of "capital" investment from other expenditures would afford recognition to an important factor which heretofore has not been disclosed in the presentation of the annual budget. However, there is a question as to whether items such as payments to states and conservation payments should be included in a category of "current operating expenditures" with the possible result that the Department might be placed in an unfavorable light if a strict interpretation is placed on the term.

This recommendation as well as the one for a "performance" budget, to the extent they are adopted, will affect materially the accounting operations since the accounting systems and procedures must be organized to provide the information required in budget administration.

Budgetary reserves

> The authority of the President to reduce appropriated amounts during the year for which they are provided should be clarified and, in any event, he should have authority to reduce expenditures if the purposes intended by the Congress are still carried out. (Recommendation No. 4)

The authority of the President to establish budgetary reserves has been challenged and should be clarified by law. The recommendation states that the President should have such authority but with the qualification that the purposes intended by Congress will be carried out.

Office of the Budget

Internal and external working relationship

> The review of estimates should be conducted by the Estimates Division in conjunction with representatives of the Administrative Management and Fiscal Divisions; also, much closer relationship should exist between the divisions of the Office of the Budget and such agencies as the Treasury Department, the Economic Adviser, etc. (Recommendation Nos. 5 and 6)

The impact of these recommendations on the Department is unpredictable since it would depend almost entirely upon the operating policies ultimately developed to implement the recommendations.

Functions of Office of the Budget

> The report recommends greater emphasis in the Office of the Budget on the development of policies and standards to govern estimates preparation and improvement in the quality of agency budget and management work, with less detailed review in the Office of the Budget, and further emphasis on management research, particularly as it affects the field services. (Recommendation No. 7)

The recommendation contemplates greater responsibility in agency budget offices and less detailed examination in the Office of the Budget. If adopted, this proposal should tend to raise the level of consideration of the estimates by the Office of the Budget to a program or "performance" budget level with less emphasis on objects of expenditure and operational detail. The discussion in the report urges strengthening of the administrative management function in the Office of the Budget and the establishment of improved agency budget offices and strong programs of management improvement. The last part of the recommendation apparently is intended to supplement the general recommendation for improvement of the field services contained in a prior report on "Departmental Management" by emphasizing the need for management research in this field.

Supervision of publications

> The President, through the Office of the Budget, should be given the means and authority to supervise all publications of the Executive Branch. (Recommendation No. 8)

The Commission's report apparently contemplates a considerable strengthening of the authority over publications of the Executive Branch, in order to achieve a more effective and complete control than now exists in the Bureau of the Budget. It probably would be necessary for a comparable publications control function to be revived in the Department to carry out such regulations as the Office of the Budget might promulgate. However, the full impact of the recommendation is unpredictable since it would depend largely upon the authority finally vested in the President and the operating policies developed thereunder.

Accounting

Establishment of Accountant General

> An Accountant General to be established under the Secretary of the Treasury with authority to prescribe general accounting methods and enforce accounting procedures. Methods and procedures to be subject to the approval of the Comptroller General within the powers now conferred upon him by the Congress. The Accountant General to maintain summary accounts of the Government and produce financial reports. (Recommendation No. 10)

The Commission's recommendation would affect the accounting operations of that Department since it would be necessary to work with both the Accountant General and the Comptroller General on accounting methods and systems. The dissenting and additional comments of members of the Commission very clearly indicate the controversial nature of this recommendation. A major controversy evolves from the recommendation that methods and procedures prescribed by the Accountant General should be approved by the Comptroller General. The Task Force report, as well as the observations of Commissioners Rowe and Pollock, recommends that the Comptroller General be redesignated as the Auditor General, with no authority to approve the accounting systems of the Executive Branch since this function rightly should be with the President as it constitutes a tool of management.

Site Audits and Disposition of Vouchers and Supporting Papers

> Discontinue present practice of sending vouchers and supporting papers to Washington insofar as possible, and initiate site audits on a test check basis at various places where expenditure vouchers are maintained in lieu of the present procedure of bringing these documents to Washington. (Recommendation No. 11)

The Department should benefit from the adoption of this recommendation from the viewpoint of facilitating the audit and settlement accounts.

Simplification of Detail Accounting Procedures

> The Commission endorsed certain Task Force recommendations relating to the maintenance of accrual basis of accounting; simplification or elimination of the present warrant system; adoption of uniform departmental practices, nomenclature, etc.; and improved systems of inventory and public debt accounting. (Recommendation No. 12)

It is impossible to properly appraise the full impact of all such recommendations by the Task Force in view of the numerous questions and lack of clarification surrounding the individual recommendations. The question of the accrual basis of accounting is a recurring and debatable issue and the impact of this recommendation cannot be determined without further refinement of definitions and terminology; however, there will possibly result drastic changes in present budgeting and appropriation procedures. Other recommendations are generally in accord with present day trends toward strengthening accounting systems and controls and the simplification or elimination of obsolete fiscal procedures.

Establishment of a Fidelity Insurance Fund in Treasury

> Recommends that Congress continue its study of the whole question of fidelity insurance for accountable officers of the Government. (Recommendation No. 13)

This recommendation results from the Commission's findings relative to "departmental red tape and cost" involved in the present procedures with respect to the bonding of accountable officers in the Government. The report suggests a possible solution through the establishment of a fidelity insurance fund in the Treasury to which accountable officers would contribute in lieu of paying for surety bonds furnished by private companies. This matter is of considerable concern to the Department. Such a study would be desirable.

CONFIDENTIAL

March 15, 1949

Report of the Hoover Commission on Foreign Affairs

Impact of Recommendations on the
Department of Agriculture

Cabinet Level Committees to Advise President on Foreign Affairs.

Such committees should be set up by the President (not by law) to advise the President on matters of foreign affairs which transcend the responsibility of single departments.

The subjects covered by such committees are not stated, but the report stresses the need for such committees from time to time on matters requiring presidential decision, it criticizes congressional action setting up such committees since flexibility is destroyed; it stresses the need for adequate secretarial staff for such committees and clearly implies that there may be several such committees operating at one time (rather than one over-all committee on foreign affairs with subcommittees thereof.) Since these are cabinet level committees they would directly involve the Secretary of Agriculture and his immediate staff. (Recommendations 4 and 5). Recommendation 5 also states that "staff and secretariat assistance should be provided for interdepartmental committees below the Cabinet level," that such should generally be provided by the Department of State but may, in special cases, be provided by other Departments. This has implications for the U. S. FAO Interagency Committee.

Overseas Action Programs to be Carried out by Agencies other than State.

Fact gathering, fact evaluation, program proposal and program execution to be carried out by agencies other than state whenever competent. State to stay out of program administration and to limit itself to determining objectives of foreign policy, to over-all policy formation and to recommending choice and timing of instruments to be used.

From the standpoint of Agriculture, this is the heart of the report. It states: "The department of agency with the power to exercise an instrument of foreign policy should be looked to, and relied upon, by the State Department to gather the necessary facts within the special competence of the particular department or agency on a world-wide basis; to evaluate those facts; to propose policies or programs within its power to execute; and to execute the programs agreed upon in accordance with established policy.... In this manner, the State Department will be able

to discontinue the bulk of the specialized functions it has recently been, or now is, performing in the fields of foodstuffs, petroleum and other fuels, aviation, shipping, labor, welfare, and the like." State's commodity economist would be greatly reduced in number and agriculture, for example, would be looked to for greater leadership in questions of international food activities. Report disapproves of present "empire building" in State's economic divisions. State would, however, maintain a small number of economists who would take the "world-wide view" of commodity problems and advise the geographical offices where much of State's action authority would be placed. (Recommendation 6 and 7.) New agencies would be created when existing agencies not able to take over new functions (ECA for example.) One exception noted: Voice of America should continue to be administered by State.

One Office in each Department to Coordinate Foreign Affairs.

> Each department which has important duties in foreign affairs should establish an office directly responsible to the Secretary for effectively coordinating its foreign affairs activities.

Commission report notes that some departments have such responsibility divided between two or more bureaus. State has to coordinate their work as well as its own. The report stresses that each Departments office should have sufficient authority and staff to effectively coordinate that Department's work in the foreign field. Where a Department is not properly organized to discharge its responsibilities in the foreign field, the report says that State is justified in handling the functions itself. These recommendations raise a number of questions as to the adequacy of the Office of Foreign Agricultural Relations to discharge the indicated coordinating function, which the Department may want to study in detail. It is important to note that the Task Force report on Agriculture seems to divide OFAR's functions, placing some under the research agency and leaving some in staff agency directly responsible to the Secretary. That recommendation seems to be in conflict with the commission report on Foreign Affairs. (Recommendation 22.)

Agriculture's Entire Contacts with State to be Through Assistant Secretary, Economic, and Social Affairs.

> Assistant Secretary, Economic and Social Affairs "would be the channel of communication and the point of coordination on interdepartmental relations with the executive branch in the foreign affairs field."

Most of Agriculture's contacts are now with this same general segment in State (i.e. its economic divisions.) But those divisions are now an important action arm. Under the reorganization, all action authority would be placed in four regional units and an assistant secretary for international organization affairs. Economic units would be made purely

advisory. Regional units are not required to get the concurrence of agriculture (or even to consult with it) in handling Agricultural matters. This two-layer clearance may intensify the present bottleneck.

Foreign Service and State Department Personnel Combined.

> Independent Foreign Service to be gradually abolished. Foreign Service and domestic personnel of State made completely interchangeable. Board of Foreign Service to be abolished. Agriculture deprived of voice (unless voluntarily sought by Secretary of State,) in choosing agricultural officers, saying where they go or what they report. Agriculture allowed to put a few temporary attaches on its own pay roll.

At present time Agriculture, Commerce, and Labor are represented on Board of Foreign Service which determines over-all policy for that organization. Though out-numbered by State personnel, at least they have a voice. Report suggests the need for continued interdepartamental consultation in this field, but leaves final discretion in hands of Secretary of State. Report says "in the limited number of cases where specialized technical reporting, or an unusual quantity of reporting or other special requirements exist, the other departments and agencies should designate and obtain appropriations for personnel for their overseas work." Report clearly indicates, however, that this would be the "exceptional" case and that the mass of agricultural reporting would be done by State Department personnel. Thus, as stated above, the report gives agriculture complete responsibility for foreign fact gathering, interpreting, program recommending and program operating, yet on the other hand gives it no voice (other than at the sufference of the State Department) in saying what facts are to be gathered abroad, how they are to be gathered and by whom they are to be gathered. No provision is made whereby Agricultural attaches in the regular Foreign Service could be rotated with service in Department of Agriculture.

Other Departments should consult with State on Foreign Implications of Domestic Programs.

> Price supports sited as examples of domestic program that effects foreign relations. Report points out that many agencies insist they be consulted on foreign affairs yet do not consult State regarding foreign implications of their domestic programs. This would necessitate proper machinery being set up whereby Agriculture could consult with State, including adequate representation on Cabinet level committees.

Fred J. Rossiter, Chairman (OFAR)
Nathan Koenig (Sec.)
A. R. DeFelice (Sol.)
Don Stoops (PMA)
James O. Howard (OFAR)

CONFIDENTIAL

Amended 3/16

Report of the Hoover Commission on Personnel Management

Impact of Recommendations on the
Department of Agriculture

Generally, the report recommends that the Commission, as a staff arm of the President, create standards for the guidance of agencies and, through proper inspection activities, see that these standards are complied with by the agencies. The agencies would have the actual responsibility of carrying out the personnel functions. This would result in the Commission assuming jurisdiction in some fields over which at present it has no legal jurisdiction. Training, employee relations, incentive programs and staffing patterns are examples. Concurrently, the Department would assume authority for completing action on individual matters that now require the prior approval of the Commission. Examples are the allocation of Departmental positions, certain types of appointments and other employment matters.

For purposes of reporting, the recommendations of the Hoover Commission will be treated in three categories. The first, comprising about a half of the recommendations, are those that will have some impact on the Department. The second are those that may or may not have some impact depending on how the laws or regulations may be written when enacted or put into practice. The third are those that are now in effect in this Department.

Recommendations Having Some Effect on Department Operations

Reorganization of the Civil Service Commission.

If the Civil Service Commission reorganizes to place primary emphasis on staff functions (Rec. 1), the Department will then assume final authority for the completion of personnel actions and position allocations within the Department which now require, in many cases, prior approval of the Commission.

Appointments.

Supervisors will have much more leeway in selecting appointees if the rule of three is liberalized (Recs. 2b and 7) to permit selection from a large group of qualified applicants rather than the three applicants they now get to consider for an appointment.

Classification.

At present, allocations of positions in the Departmental service must have the prior approval of the Commission. This authority will be delegated to the Department and facilitate this work under Recs. 3b and 18.

Compensation.

The Hoover Commission recommends that the Civil Service Commission be given wide authority over the pay plan for the entire executive branch, within the limits of a maximum and minimum salary for the whole Government set by Congress. The Civil Service Commission would thus assume jurisdiction for setting pay standards for all positions rather than those under the Classification Act as at present. This would affect groups which now are not definitely and specifically covered by statutes such as the Classification Act but which, by interpretation, are treated as within or under the executive branch, such as employees under the District Banks of the Farm Credit Administration and employees of the Market Administrators.

The Commission would also annually review the Federal compensation structure and make appropriate recommendations for its adjustment by Congress (Recs. 3a, 16, 17, 3b, 18 and 20).

Placing clerical and subprofessional positions out of the Classification Act, as at present, and providing that their compensation should be fixed in accordance with prevailing locality, area or industry pay differentials is a definite change from existing practice and may result in considerable more work within the Department. The impact will be the removal of thousands of jobs from the fixed salary rates of the Classification Act to the varying rates of wage boards. If the Commission establishes interdepartmental wage boards, negotiations for fixing and establishing wage rates will not be confined to this Department as at present (Recs. 3d and 19).

If Recs. 3e and 11 are acted upon to increase the salaries of top-level employees, some effect could be expected down the line in adjusting other key positions.

Efficiency.

The present efficiency rating system will be abolished under Recs. 4e and 22a and b and will be replaced by so-called ability and service record ratings. If these ability and service record ratings are to be paper records, not much advantage can be seen from the paper processing point of view. From a management point of view, the efficiency rating will no longer be used as an element in making periodic pay increases, reductions in force and separations for inefficiency.

Separating Inefficient Employees.

If the present system of separating inefficient employees is amended (Rec. 5b) and replaced by the procedure in Rec. 24, formal hearings will be established within the Department and it is doubtful if the new procedure will be any simpler than the present. It would be more restrictive and complex for separating probationary employees. The Commission would have appeal jurisdiction which they do not now have.

Veterans.

In the selection process, veterans will get added preference under Rec. 8 by being floated to the top of each examination rating category. The Report does not state whether a veteran should make a passing mark before getting his preference added. In reductions in force, they will lose their absolute retention rights and receive instead additional credit in reductions in force for military service (Rec. 23a). The Hoover Report recommends a nation-wide recruiting system for veterans (Rec. 9) which would increase the chances of veterans securing positions.

Agency Personnel Offices.

At present, the Budget Bureau develops patterns for personnel office operations in the agencies. Rec. 27 would put this authority with the Civil Service Commission.

Recommendations Which May or May Not Have an Effect on the Operations Within the Department

The following recommendations of the Hoover Commission will probably not affect the Department much but could depending on the limitations, restrictions and delegations contained in the laws and regulations.

1. The authority to develop standards for the operation of agency personnel offices (Recs. 1d and 28).

2. The emphasis desired to develop programs to attract more young people into the agencies (Recs. 2c and 10).

3. The desirability of Congress to legislate authority to provide training for employees (Recs. 4c and 15). Some danger might result if limitations and restrictions are attached to the legislation.

4. The requirement that employees be provided ways and means of participating in the formulation and improvement of Federal personnel policies and practices (Recs. 4d and 21).

5. The change in reduction-in-force regulations to facilitate retention of employees best qualified to perform the duties irrespective of other considerations (Recs. 5a and 23a, b and c).

6. The authority given to the Commission to designate jobs as administrative (Rec. 13).

Recommendations Which Are in Effect in This Department Now

1. The requirement that the Director of Personnel be a member of top management (Recs. 1c and 29).

2. The responsibility for recruiting and examining Federal employees (Recs. 2a and 6a, b and c). This recommendation, if fully carried out, will increase the volume of work, but this has been expected.

3. The requirement that specific programs for promoting career employees be worked out and that promotion opportunities across agency lines be developed (Recs. 4a and b, 12 and 14).

4. The requirement that within grade promotions be granted only when the supervisor will certify that it is warranted (Rec. 25).

J. L. Buckley, Office of Personnel, Chairman
E. J. Overby, Office of the Secretary
R. L. Tremain, Office of the Solicitor
H. D. Cochran, Forest Service

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington 25, D. C.

March 15, 1949

To: Study Committee on Hoover Commission Recommendations and Chairmen of Subcommittees

From: W. A. Minor, Assistant to the Secretary

1. The Study Committee will have its next meeting on Wednesday, March 16, at 4:00 p.m., Room 6962 South Building.

2. Attached are advance copies of reports of the following Subcommittees:

Budgeting and Accounting

Foreign Affairs

3. Also attached is a revised draft of the "personnel management" report. Major change is addition of a new last sentence at the bottom of page 1.

Attachments

March 15, 1949

To: W. A. Minor, Assistant to the Secretary

From: Arthur E. Thatcher, Chief, Office of Plant and Operations

Subject: Hoover Commission Recommendations

The following are drafts for inclusion in a report to the President which reflect this Office's views on the recommendations of the Commission on Reorganization of the Executive Branch of the Government on Office of General Services - Supply Activities insofar as they relate to (1) Operation and Maintenance of Public Buildings and (2) Records Management:

"Operation and Maintenance of Public Buildings

The inclusion of the operation and maintenance of public buildings as a function of the Office of General Services appears logical except where such buildings are special purpose installations to serve a single agency. Although no opinion is expressed, it is believed that the design and construction of public buildings as well as their operation and maintenance and the field of leasing should be continued intact and not placed in separate agencies."

Records Management - Centralization of Authority

"This Department has in effect a records management program and favors the creation of a Records Management Bureau in the Office of General Services designed to provide leadership in this field. New legislation and regulations are needed but in view of the diversities of Government, should be developed cooperatively with the agencies."

cc: W. T. Luman, P&O
C. A. Salisbury, P&O
L. E. Donaldson, P&O

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THE WHITE HOUSE

WASHINGTON

March 1, 1949

TO THE HEADS OF DEPARTMENTS AND AGENCIES:

During the past two weeks the Commission on Organization of the Executive Branch of the Government has presented four reports to the Congress which deal with the general management of the Federal Government. The reports are: (1) "General Management of the Executive Branch," (2) "Personnel Management," (3) "Office of General Services -- Supply Activities," and (4) "Budgeting and Accounting."

Taken together, these reports present a framework for the management of governmental activities which has two principal aspects. First, a coordinated central system for performing government-wide management activities; second, a reinforced structure for departmental management. The reports stress both the need for central direction and control, and the need for decentralized management and operation of programs. These two aspects of administration must be strengthened in a balanced fashion in order for Federal management to keep pace with the scale and tempo of the Federal program. The reports make clear that effective departmental management must play a major part in assuring that governmental activities are effectively performed and kept under review.

I wish to take full advantage of the opportunity which the work of the Commission on Organization of the Executive Branch of the Government affords to promote improved organization and management throughout the Government. The creation of a more orderly and widely recognized system within which our management operations are conducted is an objective with which I am in full accord. In order that we may proceed on the basis of full knowledge and information within the Executive Branch, I would appreciate your views, including recommendations, if any, as to appropriate action, on the four reports mentioned. The comments may be as general or as specific in relation to individual recommendations as you wish. These comments should be forwarded to me through the Bureau of the Budget by March 17.

Very truly yours,

/s/ HARRY S. TRUMAN

THE WHITE HOUSE

WASHINGTON

March 1, 1949

To the Heads of Executive and Independent

During the past two weeks the President in formulation of the Executive Branch of the Government has presented four reports to the Congress which deal with the general management of the Federal Government. The reports are: (1) "General Management of the Executive Branch," (2) "Personnel Management," (3) "Utilization of Federal Employees -- Fiscal Activities," and (4) "Budgeting and Accounting."

Taken together, these reports present a framework for the management of governmental activities which are the principal concern. First, a coordinated budget system for performing governmental management activities; second, a reinforced structure for administrative management. The reports stress both the need for central direction and control, and the need for decentralized management and operations of programs. These are aspects of administration that are strengthened in a Federal Position in order for Federal management to keep pace with the scale and tempo of the Federal program. The reports make clear that effective departmental management must play a major part in assuring that governmental activities are efficiently performed and kept under review.

I plan to take full advantage of the opportunity which the work of the Commission on Organization of the Executive Branch of the Government affords to promote improved organization and management throughout the Government. The creation of a more orderly and efficiently organized system within each of our management operations are matters in my priorities with which I am in full accord. In order that we may proceed on the basis of full knowledge and information within the Executive Branch, I would appreciate your views, including recommendations, if any, as to appropriate action, on the four reports mentioned. The comments may be in general or as specific in relation to individual recommendations as you wish. These comments should be forwarded to me through the Bureau of the Budget by April 1.

Very truly yours,

/s/ HARRY S. TRUMAN

CONFIDENTIAL

March 10, 1949

Report of the Hoover Commission on General Management of the Executive Branch

Impact of Recommendations on the Department of Agriculture

General

A strong, unified, effective executive branch is essential.

The critical state of world affairs, as well as domestic needs, makes it imperative that the executive branch be soundly organized so as to avoid weakness in dealing with other nations, working at cross purposes, waste of public funds, and lack of national unity.

Executive Leadership and Direction

The President and department heads should be given the powers and assistance necessary to enable them to exercise vigorous leadership and direction.

The President and the Department heads should be given sufficient authority and staff assistance to enable them to exercise real leadership and direction and should be held accountable to the people and Congress for the efficient and effective conduct of the agencies under them.

Development of Capable Administrators

The government needs capable administrators, freed from unduly rigid administrative requirements.

We should develop a much greater number of capable administrators, give them sufficient operational discretion and freedom from rigid statutes and regulations governing administrative practices so that they can exercise initiative and enterprise, and then hold them broadly accountable for results. The implementation of this recommendation would require further attention within this Department to the development of administrators and the establishment of patterns of accountability. A survey would also be necessary to discover unduly rigid administrative requirements and action would need to be taken to eliminate them.

The President's Office

The President's staff services should be strengthened.

The President's Office should be strengthened by the establishment of an Office of Personnel and a Staff Secretary, by revitalizing the Bureau of the Budget (to be named the Office of the Budget) as an arm of the President for the improvement of management and the attainment of economy and efficiency, by replacing the Council of Economic Advisers by an Office of the Economic Adviser under a single head, and in other ways (Recommendations 1-5, 9-11).

Cabinet and Other Committees

There should be closer executive control of committees.

The membership of and assignments to Cabinet committees should be determined by the President (Recommendations 6 and 7). The President's Office should exercise greater control over the establishment, assignments, and termination of interdepartmental committees (Recommendation 8). The same problem applies to departmental committees, and if applied to this Department, Recommendation 8 would mean that there would need to be some means for exercising control in establishing and terminating Departmental committees.

Consolidation and Unification of Agencies

The agencies of the executive branch should be grouped by major purposes into departments and, within departments, into services or bureaus.

Functions should be grouped by major purposes, both as among departments and within each department, in order to provide a cohesive grouping of activities, prevent overlapping, and, of especial importance, promote development of coordinated policies. There are too many executive agencies (about 65) reporting directly to the President; they should be consolidated into about one-third of the present number. (Recommendations 12, 13, and 17.)

Clear Line of Authority

The Secretary, under the President, must be given full authority and bear full responsibility for the conduct of the Department.

There must be a clear line of authority from the President down through every step of the organization, and no official should have authority independent from that of his superior (Recommendation 14).

Most statutory authority for the work of the Department is now vested by law in the Secretary. The principal exception to this is the Commodity Credit Corporation, which is under the control of its Board of Directors rather than the Secretary. A bill (S. 900) is now pending to remedy this situation. There may be a few other instances where statutory authority runs directly to agencies of the Department rather than to the Secretary and, unless H. R. 2613 or a similar bill which would vest all authority within a department in its head is passed, it would be desirable to make a survey to determine whether any other exceptions to the general rule exist.

In general, there is now a clear line of authority and responsibility from top to bottom of the Department. There may be some instances where, by administrative action, the line of command and supervision has been weakened (as the Commission thinks it should not be) by the occasional practice of by-passing an official in the line of command and dealing directly with his subordinates.

Appointment of Heads of Offices and Services

> The heads of staff offices and, as a rule, the heads of services should be appointed by the Secretary.

At the present time the heads of Rural Electrification Administration, Farmers Home Administration, Farm Credit Administration, and the four Farm Credit Commissioners are appointed by the President and confirmed by the Senate. All other agency officials reporting to the Secretary are appointed by him. The Commission recommends that, "as a rule," the heads of services, as well as staff officials, should be appointed by the Secretary and that proper consideration be given to the promotion of career employees to these positions (Recommendation 19). (We interpret "bureau chiefs," as used in this recommendation, to mean heads of services, i.e., heads of principal operating agencies, in the Department of Agriculture.)

Organization of the Department

> The Secretary should be given statutory authority to determine the organization of the Department.

There is now some uncertainty as to the Secretary's power to change the organization of the Department. The fact that some agencies (Forest Service, Soil Conservation Service, Rural Electrification Administration, Farmers Home Administration, Farm Credit Administration and its Banks and Corporations, Federal Farm Mortgage Corporation, Commodity Credit Corporation, and Regional Agricultural Credit Corporation) were established by statute prevents the Secretary from reorganizing these agencies by transferring their functions.

The Commission says that it does not believe in setting hard and fast rules with respect to organization of Departments and that "each department head should determine the organization and be free to amend it." Presumably the Secretary's power to reorganize the Department would, with respect to major patterns of organization, be subject to control of the President in view of the general position which the Commission takes with regard to Presidential control of administration. (Recommendations 18 and 20.)

Assignment of Funds

> The Secretary should be given authority to assign funds appropriated for a given purpose to whatever agency in the Department he believes can best effect the will of Congress.

Appropriations, for the most part, are now made directly to the Department's agencies. While this does not remove the agencies from the Secretary's control, it does have the practical effect of limiting the Secretary's power to reorganize and to transfer functions and funds. (Recommendation 20.) The Task Force Report proposes that appropriations be made to department heads on a program, or performance, basis.

Under Secretary

> The Under Secretary should assume the duties of the Secretary in his absence and "undertake general supervision of the Department."

This appears to be a somewhat different concept of the role of the Under

Secretary than has prevailed in this Department. The Under Secretary would be appointed by the President and confirmed by the Senate, as at present. (Recommendation 18.)

The Task Force Report suggests that, in view of the extremely heavy external demands upon the department head, the Under Secretary should be the top internal point of departmental direction, the alter-ego of the Secretary, responsible both for major policy decisions and for administrative direction of the department, a kind of chief of staff directing both top management assistants and the subordinate operating officials, the link between the administrative officer, on the one hand, and the policy work, on the other. The Under Secretary would hardly be required to be a career employee.

The Assistant Secretaries (Other Than the Administrative Assistant Secretary)

> There should be such number of Assistant Secretaries as may be necessary.

The duties of the Assistant Secretaries would be assigned by the Secretary. They should be appointed by the President and confirmed by the Senate. (Recommendation 18.) The Commission's Report on the Department of Agriculture recommends that there be two Assistant Secretaries in addition to an Administrative Assistant Secretary.

Administrative Assistant Secretary

> The position of Administrative Assistant Secretary should be established.

The Commission recommends that "there should generally be an Administrative Assistant Secretary who might be appointed solely for administrative duties of a housekeeping and management nature and who would give continuity in top management." He should be appointed from the career service (the Agriculture Report says "if possible"). It is not clear whether the Administrative Assistant Secretary would be appointed by the President or by the Secretary, although it is implied that Senatorial confirmation should not be required. (Recommendation 18.)

Staff Offices

> The positions of Supply Officer, Management Research Officer, and Congressional Liaison Officer should be established.

There should be the following staff officers in each department:

General Counsel
Financial Officer (accounting, budgeting, and disbursements)
Personnel Officer
Supply Officer
Management Research Officer
Information and Publications Officer
Congressional Liaison Officer

According to the Chart on page 30, all these staff officers would report to the Administrative Assistant Secretary rather than to the Secretary as at present.

The Report on the Department of Agriculture says that there should be a General Counsel "for legal work outside the Regulatory Service" but does not explain the reason for suggesting a change from the present arrangement whereby the Solicitor handles all legal work of the Department.

The Supply Officer would be a new position. No reference is made to the present functions of the Office of Plant and Operations other than those relating to supply. The Report on General Services and Supply Activities recommends that at the Federal level there be an Office of General Services responsible for supply, records management, and operation and maintenance of public buildings. It is not clear how these three functions would be organized at the department level.

The Management Research Officer would be a new position. The Commission says "We wish to emphasize especially the importance of staff members assigned to management research and review. The enormous operations of the executive agencies require constant reexamination." There is no further explanation of what is meant by management research. Presumably it includes surveys and studies of organization, procedures, and other management problems. At present some of this work is done in the Office of Budget and Finance, the Office of Personnel, and the Office of Plant and Operations.

The Congressional Liaison Officer would be a new position.

No mention is made in the Report on General Management of the Office of Foreign Agricultural Relations, the Library, the Office of Hearing Examiners, or the Administrator, Research and Marketing Act. (Recommendation 18.)

Decentralization of Administrative Services

> There should be more decentralization of administrative services into operating agencies.

These services include accounting, budgeting, recruiting and managing of personnel, etc. There should be common standards and supervision for the entire executive branch.

Organizational Nomenclature

> Operating agencies of the Department reporting to the Secretary should be known as services and other changes in nomenclature should be made down the line.

The following nomenclature should be used to designate operating organizational units within each department:

Service
Bureau
Division
Branch
Section
Unit

The Report on the Department of Agriculture proposes that operating agencies reporting to the Secretary be called services.

Staff agencies would be known as offices. No reference is made to corporations. (Recommendation 21.)

Administrative Regions and Regional Headquarters.

Administrative regions and regional headquarters should be more nearly comparable geographically.

Regions and regional headquarters suitable for departments dealing with industrial or urban problems would not be suitable for agricultural operations, so that it would hardly be possible to have uniform regions and headquarters for all departments.

The Department is at present diversely organized in the field, some agencies by regions (which are not identical as between these agencies), some by States, and some by specialized programs. (Recommendation 22.)

Field Organization

There are too many separately organized, highly specialized field offices representing individual departments, bureaus, or even different units of one bureau.

The Commission says, "There is great duplication in departmental field services. Many bureaus have unnecessary field services duplicating others, and many have more branches in the field than are at all necessary." We do not know whether these remarks are intended to apply to this Departmenr or not.

Control of Field Offices

Reporting and inspection practices should be strengthened.

The Commission finds that there are inadequate systems of reporting and inspection which prevent administrative officials from knowing how effectively and efficiently their field organization is performing, that in some Federal agencies there is failure to delegate sufficient operating authority to the field, that lines of direction and supervision between specialized headquarters units and the field are sometimes confused, and that there is sometimes lack of coordination of effort among Federal field offices.

The establishment of better systems of reporting and inspection would require some agencies of the Department to establish inspectional staffs and to work out plans for reporting. (Recommendation 24.)

Relations With State and Local Officials

Field relations with State and local officials should be strengthened.

In the case of grant-in-aid programs, for example, one Federal agency may deal with State and local agencies under one set of terms and conditions,

whereas another agency may have quite different operating requirements.

The Department has for some time been working on a uniform regulation respecting cooperative agreements with the States. (Recommendation 25.)

Miscellaneous

> Manuals of instructions should be revised and simplified and their self-defeating degree of detail eliminated.

Under this recommendation the Commission states that a major effort should be made to bring the Federal Government closer to the public served; departmental officials are isolated from field officials and from the public. This recommendation seems to deal with more than one subject. We are not sure just what emphasis is intended. In another place the Commission states that many statutes and departmental regulations are unduly complicated and set up such rigid patterns that the execution of Congressional purposes is inefficient and wasteful. (Recommendation 27.)

John Thurston, Administrative Council
N. R. Bear, Office of Personnel
Ralph F. Koebel, Office of the Solicitor

Mr. J. Lumar 810
Rm. 116 Gr.

MAR 11 1949

Notes

Attached is a copy of the report of the Office of General Services as it effects supply activities which was made to the overall departmental committee on the study of reports of the Commission on Organization of the Executive Branch of the Government Friday, March 11, 1949. Each agency was asked to phone comments to James Scammahorn (ext. 3353) or Jim Wells (ext. 4443) in order that comments could be prepared for the Secretary in response to the President's request for the Department's views on the general philosophy of the Commission's report. Since the Secretary's report is due March 17, please phone comments not later than noon March 15.

James Scammahorn

Confidential

The Commission recommends establishing a new Office of General Services with authority, subject to the direction of the President, to prescribe or perform functions governing the conduct of (1) supply activities, including procurement, storage and issue, traffic management, specifications, inspection, property identification and property utilization; (2) preservation, management and disposal of records; and (3) management of public buildings, including space acquisition, allotment and maintenance. The recommendations contemplate that the above functions, now in various departments, agencies, and offices, be consolidated in an Office of General Services whose director would be appointed by and report to the President, and that authority to exercise these functions be delegated to the departments and agencies to the fullest extent possible. The extent of flexibility of Departmental operations in such activities would apparently be largely dependent upon the authorities delegated and the scope of the regulations issued by the Director of the Office of General Services. Although not of particular interest to the Department, the recommendations suggest that the Office also include the District of Columbia Government, the Smithsonian Institution, the National Park and Planning Commission, the National Capital Housing Authority, and the Commission of Fine Arts.

In making its study, your committee has divided the subject reports into the headings of Federal Supply Activities, Records Management, and Operation and Maintenance of Public Buildings. The specific comments of the committee on each subject follow.

Committee

H. S. Harris

James Geemmehorn

John L. Wells

T. J. McAdams

L. F. Donaldson

J. H. McCormick

E. C. Betts

E. W. Loveridge

1. General policies [illegible] responsibilities. While it is recommended that the Supply Bureau in the Office of General Services be developed primarily, although not exclusively, for policy making and coordination of the procurement of supplies and other supply functions for the executive departments, the Program for Improving Federal Supply Operations outlines the activities which should be given to the Bureau, including the assignment of responsibility for the purchase or storage of commodities, designation of certain agencies to purchase specified supplies for all agencies, awarding of contracts for common-use items--such contracts to be utilized by all agencies--handling the purchasing for small agencies, operation of a nation-wide system of storehouses, purchasing through consolidated orders and developing master forms of bid and contract documents. These authorities and responsibilities were generally been conferred on [illegible] by E. O. 6166 since 1933 and do not appear to be an expansion of existing [illegible] upon any changes which may be made in the authorities presently delegated.

2. Relation to Department's commodity purchases. The recommendations are silent as to their application to the commodity purchase programs of this Department, although they provide that a Supply Policy Committee (composed only of the Bureau of Federal Supply and the National Military Establishment) "develop policies and rules on supply operations common to both military and civilian agencies, . . . make Government-wide purchase, stores, inspection, testing and other assignments. It would assign responsibility for special programs such as stock piling, and would settle disputes which might arise in connection with the integration of civilian and military supply systems." However, since the task force report states that it is not "concerned with [illegible] U. S. Department of Agriculture or the purchase, storage, or retention of [illegible] that the authority of neither the Director of the Office of General Services nor the Supply Policy Committee would extend over either the commodity purchase programs of the Department of Agriculture or the question of whether the National Military Establishment should also purchase the same commodities as those being procured by this Department in carrying out its price support or foreign supply program accomplishments.

3. Relation to Department's transportation services. Agriculture now has authority under various statutes (Sec. 201 of the Agricultural Adjustment Act of 1938 and Sec. 203j of P. L. 733-79th Congress, the Research and Marketing Act) generally to assist in improving transportation services and facilities and in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by making complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory bodies with respect to rates, charges, tariffs, practices, and services, or by working directly with individual carriers or groups of carriers. The Commission recommends that the Bureau of Federal Supply centralized traffic management activities include advising all Government agencies on traffic management matters, reserving all executive negotiations with the carriers, representing all agencies in cases before the transportation regulatory bodies, furnishing services as to reasonableness of carriers' rates, and comparing traffic manuals and prices. If effectuated it is assumed that Agriculture would be relieved of its statutory authority assigned above and that accomplishment of the functions would be effected either by the Bureau of Federal Supply or through referrals to the Department.

4. Relating to the Department's inspection program. The recommendations provide for the Bureau of Federal Supply to determine what products should be inspected, make inspection assignments, make testing assignments, prescribe [illegible] and methods. In the analysis of What is Wrong With Federal Supply Operations, the Commission commented that "Inspection is an essential phase of supply, since it is the method of determining whether the quality of materials or equipment received meets the requirements stipulated in the specifications or purchase order," and it is therefore assumed that if the recommendations are effectuated the many statutory authorities providing for Departmental inspection [illegible] products would not be affected.

5. Supply Policy Committee. The recommendations provide for the establishment of a Supply Policy Committee "composed of representatives of the Bureau of Federal Supply and the National Military Establishment to coordinate civilian and military supply operations." It is explained that "it would be the function of this Committee to develop policies and rules on supply operations common to both the military and civilian agencies and to make Government-wide purchase, stores, inspection, testing, and other assignments." It is assumed that this Committee would be advisory to the director of the Office of General Services and that he could settle disputes between the Bureau of Federal Supply and the agencies on all matters without the necessity for the President to decide issues which might arise between the civilian and military. There is no provision to insure representation on this advisory committee of civilian agencies having major supply activities, although it is emphasized that the Bureau of Federal Supply is to be established "to provide the leadership necessary to achieve the essential unity in efficient supply organization." The importance of participation by representatives of the civilian agencies in developing policies and rules which will be appropriate and generally acceptable is emphasized by the listing of some major examples of numerous deficiencies in Federal Supply Operations, practically all of which must be corrected through [illegible] departments and agencies.

6. Two Legislative Two personal property management. a. The recommended application of the principles of the Armed Services Procurement Act of 1947 to all agencies would be of considerable value especially in permitting contract negotiations in specific instances. b. The repeal provision would [illegible] clear the statutes of many duplicative and overlapping laws. However, the proposed repeal of the laws under which the Department now acquires operations, office machines, scientific apparatus, and books and periodicals quite extensively in the purchase of new items (e.g., it is estimated that 80 percent of the books and periodicals are received as a result of exchange or gift) would generally have the effect of either reducing the amount of appropriated funds available for program purposes or of increasing annual estimates of funds needed.

7. Operation of Central Supply Organization. The recommendations provide for the elimination of surcharges levied on the price of commodities purchased through central supply organizations which, if adopted, would require the seeking of appropriations for the foreseeable and estimated work load of the supply activities of the Department's working capital fund and certain central purchasing activities of the Forest Service.

REPORT ON OFFICE OF GENERAL SERVICES

The Commission recommendations visualize a new Office of General Services with authority, subject to the direction of the President, to prescribe regulations governing the conduct of (1) supply activities, including purchasing, storage [illegible] tion and property utilization; (2) preservation, management and disposal of records; and (3) management of public buildings, including space acquisition, allotment and maintenance. The recommendations contemplate that the above functions, now in various departments, agencies, and offices, be centralized in an Office of General Services whose director would be appointed by and report to the President, and that authority to exercise these functions be delegated [illegible] flexibility of Departmental operations in such activities would apparently be largely dependent upon the authorities delegated and the scope of the regulations issued by the director of the Office of General Services. Although not [illegible] Office also include the District of Columbia Government, the Smithsonian Institution, the National Park and Planning Commission, the National Capital Housing Authority, and the Commission of Fine Arts.

In making its study, your committee has divided the subject reports into the headings of Federal Supply Activities, Records Management, and Operation and Maintenance of Public Buildings. The specific comments of the committee on each subject follow.

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[illegible]

E. W. Loveridge

[illegible]

Confidential

General Supply Activities

1. General policies, authorities and responsibilities. While it is recommended that the supply bureau in the Office of General Services be developed primarily, although not exclusively, for policy making and coordination of the procurement of supplies and other supply functions for the executive departments, the Federal for improving Federal supply operations outlines the activities which should be given to the Bureau, including the assignment of responsibility for the purchase or storage of commodities, initiation of serials agreements to purchase specified supplies for all agencies, awarding of contracts for common-use items--such contracts to be utilized by all agencies--handling the purchasing for small agencies, operation of a nationwide system of warehouses, purchasing through consolidated orders and developing master forms of bid and contract documents. These authorities and responsibilities have generally been construed as covered by E. O. 6166 since 1933 and do not appear to be an expansion of existing authorities, and the effect upon this Department's activities would depend largely upon any changes which may be made in the authorities presently delegated.

2. Relation to Department's commodity purchases. The recommendations are silent as to their application to the commodity purchase programs of this Department, although they provide that a Supply Policy Committee (composed only of the Bureau of Federal Supply and the National Military Establishment) "develop policies and rules on supply operations common to both military and civilian agencies, . . . make Government-wide purchase, stores, inspection, testing and other assignments. It would assign responsibility for special programs such as stock piling, and would settle disputes which might arise in connection with the integration of civilian and military supply systems." However, since the task force report states that it is not "concerned with special programs such as the purchase and handling of farm products by the U. S. Department of Agriculture or the purchase, storage, or retention of strategic and critical materials for the National stock pile," it is assumed that the authority of neither the Director of the Office of General Services nor the Supply Policy Committee would extend over either the commodity purchase programs of the Department of Agriculture or the question of whether the National Military Establishment should also purchase the same commodities as those being procured by this Department in carrying out its price support or foreign supply program accomplishments.

3. Relation to Department's transportation services. Agriculture now has authority under various statutes (Sec. 201 of the Agricultural Adjustment Act of 1938 and Sec. 203j of P. L. 733-79th Congress, the Research and Marketing Act) generally to assist in improving transportation services and facilities and in obtaining equitable and reasonable transportation rates and services and adequate transportation facilities for agricultural products and farm supplies by making complaint or petition to the Interstate Commerce Commission, the Maritime Commission, the Civil Aeronautics Board, or other Federal or State transportation regulatory bodies with respect to rates, charges, tariffs, practices, and services, or by working directly with individual carriers or groups of carriers. The Commission recommends that the Bureau of Federal Supply centralized traffic management activities include advising all Government agencies on traffic management problems, representing all agencies in negotiating rates with the carriers, representing all agencies in cases before the transportation regulatory bodies, advising agencies as to reasonableness of carriers' bills, and preparing traffic manuals and guides. If effectuated it is assumed that Agriculture would be relieved of its statutory authority mentioned above and that accomplishment of the functions would be effected either by the Bureau of Federal Supply or through delegation to the Department.

4. Relation to the Department's inspection program. The recommendations provide for the Bureau of Federal Supply to determine what products should [illegible], [illegible], [illegible], prepare inspection manuals, and develop rules and regulations on inspection policies and methods. In the analysis of What is Wrong With Federal Supply Operations, the Commission commented that "Inspection is an essential phase of supply, since it is the method of determining whether the quality of materials or equipment received meets the requirements stipulated in the specifications or purchase order," and it is therefore assumed that if the recommendations are [illegible] the [illegible] activities providing for commercial inspection of animals, animal products, plants, seeds, etc., and testing of forest products would not be affected.

5. Supply Policy Committee. The recommendations provide for the establishment of a Supply Policy Committee "composed of representatives of the Bureau of Federal Supply and the National Military Establishment to coordinate civilian and military supply operations." It is explained that "it would be the function of this Committee to develop policies and rules on supply operations common to both the military and civilian agencies and to make Government-wide purchases, storage, transportation, [illegible], and other arrangements." It is assumed that this Committee would be advisory to the director of the Office of General Services and that he could settle disputes between the Bureau of Federal Supply and the agencies on all matters without the necessity for the President to decide issues which might arise between the civilian and military. There is no provision to insure representation on this advisory committee of civilian [illegible] [illegible] activities, although it is contemplated that the Bureau of Federal Supply is to be established "to provide the information necessary to military in the specific [illegible] as efficient supply organization." The importance of [illegible] by representatives of the civilian agencies in developing policies and rules which will be appropriate and generally acceptable is emphasized by the listing of seven major categories of numerous deficiencies in Federal Supply Operations, practically all of which must be corrected through cooperative administrative effort of all executive departments and agencies.

6. [illegible] and [illegible]. The recommended application of the principles of the Armed Services Procurement Act of 1947 to all agencies would be of considerable value especially in permitting contract negotiations in specific instances. b. The repeal provision would generally clear the statutes of many duplicative and overlapping laws. However, the proposed repeal of the laws under which the Department now exchanges typewriters, office furniture, scientific apparatus, and books and periodicals quite extensively in the purchase of new items (e.g., it is estimated that 50 percent of the books and periodicals are acquired as a result of exchange or gift) would generally have the effect of either reducing the amount of appropriated funds available for program purposes or of increasing annual estimates of funds needed.

7. Operation of Central Supply Organization. The recommendations provide for the elimination of surcharges levied on the price of commodities purchased through central supply organizations which, if adopted, would require the seeking of appropriations for the foreseeable and estimated work load of the supply activities of the Department's working capital fund and certain central purchasing activities of the Forest Service.

RECORDS MANAGEMENT

Centralization of Authority

A Records Management Bureau would be set up in the Office of General Services.

It is assumed that the establishment of such a bureau will result in the centralization of responsibility for the direction of all phases of records management in the Government agencies. If the Department is required by regulation to adopt certain controls on record-making and record-keeping, it will undoubtedly be mandatory upon all agencies of this Department to organize and maintain their records in accordance with certain prescribed standards.

Program Content

The Commission proposes the "establishment of an adequate records management program in each Department and agency."

It is not anticipated that this recommendation will have any appreciable impact on this Department. The content of the records management program already being conducted in this Department appears to conform substantially with the minimum content specified in the task force report (page 11). However, the adoption of the task force proposals may require that we expand our records management program to include the following activities:

(1) The task force recommendations, if adopted, would undoubtedly impose certain controls that do not now exist on the development, issue, standardization, use, design, methods of filing, and ultimate disposal of all forms. The task force also recommends "controls on requirements for, and submission of reports, eliminating obsolete reports, unessential copies, too frequent reporting and unessential filing of reports, coordinating or reporting to eliminate overlapping, duplication and fact-gathering."

(2) Correspondence management. Would require the inclusion of controls to provide for streamlining and reducing voluminous correspondence.

(3) Application of office machines and equipment. Very little impact.

(4) Records inventory. The task force report proposes "periodic inventory of all records." This requirement may impose quite a burden on agencies of the Department. The extent of that burden will depend on the frequency and kind of inventory ordered.

Records Centers

> A new central records service is proposed, to consolidate and reduce the records centers which various Government agencies now operate, and to direct the work of these regional records centers along with that of the National Archives.

The impact of this proposal will depend largely upon the location of the centers and the availability of the records to be placed in them. If the records are not readily accessible, it could seriously interfere with the activities of the Department. Agencies of this Department having large accumulations of records in the field may be affected by this plan.

OPERATION AND MAINTENANCE OF PUBLIC BUILDINGS

"While there are no task force reports, as far as can be determined, and only three recommendations, the spirit of the report coupled with the recommendations indicates a desire to maintain present operations with some strengthening and expanding of authorities.

The recommendation that authority be given to a central agency to maintain and operate Government buildings could involve the transfer of maintenance responsibility of Department controlled buildings in the field (i.e., Forest Products Laboratory, Regional Laboratories, etc.). Of all the recommendations, this appears to be the only one for which the Public Buildings Administration presently lacks authority.

At the present time authority to enter into leases (up to one year) is given to certain officials of the Department of Agriculture by virtue of authority granted by the Secretary. It is conceivable that under the suggested reorganization, delegation of similar leasing authority would be granted by the Administrator, Office of General Services.

The Reports recommend that the Office of General Services carry out these responsibilities with a spirit of inter-agency cooperation and that authorities and responsibilities be delegated to Departments and Agencies to the greatest possible extent.

CONFIDENTIAL

REPORT OF THE HOOVER COMMISSION ON VETERAN'S AFFAIRS

This report deals only with matters of direct interest to the Veterans Administration. The recommendations made in the report in no way affect the operations of the Department of Agriculture.

A. T. Radigan, Office of the Secretary

T. F. Murphy, Farm Credit Administration

L. D. Malotky, Farmers Home Administration

S. B. Herrell, Office of Personnel

R. F. Koebel, Office of Solicitor

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington 25, D. C.

March 9, 1949

To: Study Committee on Hoover Commission Recommendations and Chairmen of Subcommittees

From: W. A. Minor, Assistant to the Secretary

W. A. M.

1. The Study Committee will have its next meeting on Friday, March 11, at 10:00 a.m., Room 218-A.

2. Enclosed are advance copies of reports of the following subcommittees:

   Federal Personnel Management
   General Management of the Executive Branch
   Government Statistical Activities
   Reorganization of the National Security Organization
   Reorganization of the Post Office

   We will send to you any other reports that become available in advance of the meeting so that we can cover more ground during the meeting.

3. In view of the fact that a large number of subcommittees may be reporting, it is suggested that Chairmen limit attendance of committee members so far as possible at the Friday meeting.

Attachments

Confidential

Report of the Hoover Commission on Personnel Management

Impact of Recommendations on the
Department of Agriculture

Civil Service Commission and the Department.

Generally, the report recommends that the Commission, as a staff arm of the President, create standards for the guidance of agencies and, through proper inspection activities, see that these standards are complied with by the agencies. The agencies would have the actual responsibility of carrying out the personnel functions. This would result in the Commission assuming jurisdiction in some fields over which at present it has no legal jurisdiction. Training, employee relations, incentive programs and staffing patterns are examples. Concurrently, the Department would assume authority for completing action on individual matters that now require the prior approval of the Commission. Examples are the allocation of Departmental positions, certain types of appointments and other employment matters.

For purposes of reporting, the recommendations of the Hoover Commission will be treated in three categories. The first, comprising about a half of the recommendations, are those that will have some impact on the Department. The second are those that may or may not have some impact depending on how the laws or regulations may be written when enacted or put into practice. The third are those that are now in effect in this Department.

Recommendations Having Some Effect on Department Operations

Reorganization of the Civil Service Commission.

If the Civil Service Commission reorganizes to place primary emphasis on staff functions (Rec. 1), the Department will then assume final authority for the completion of personnel actions and position allocations within the Department which now require, in many cases, prior approval of the Commission.

Appointments.

Supervisors will have much more leeway in selecting appointees if the rule of three is liberalized (Recs. 2b and 7) to permit selection from a large group of qualified applicants rather than the three applicants they now get to consider for an appointment.

Classification.

At present, allocations of positions in the Departmental service must have the prior approval of the Commission. This authority will be delegated to the Department and facilitate this work under Recs. 3b and 18.

Compensation.

The Hoover Commission recommends that the Civil Service Commission be given wide authority over the pay plan for the entire executive branch, within the limits of a maximum and minimum salary for the whole Government set by Congress. The Civil Service Commission would thus assume jurisdiction for setting pay standards for all positions rather than those under the Classification Act as at present.

Mr. Murphy (FCA) said this would include Farm Credit Banks which have heretofore been excluded as Schedule A positions

The Commission would also annually review the Federal compensation structure and make appropriate recommendations for its adjustment by Congress (Recs. 3a, 16, 17, 3b, 18 and 20).

Placing clerical and subprofessional positions out of the Classification Act, as at present, and providing that their compensation should be fixed in accordance with prevailing locality, area or industry pay differentials is a definite change from existing practice and may result in considerable more work within the Department. The impact will be the removal of thousands of jobs from the fixed salary rates of the Classification Act to the varying rates of wage boards. If the Commission establishes interdepartmental wage boards, negotiations for fixing and establishing wage rates will not be confined to this Department as at present (Recs. 3d and 19).

If Recs. 3e and 11 are acted upon to increase the salaries of top-level employees, some effect could be expected down the line in adjusting other key positions.

Efficiency.

The present efficiency rating system will be abolished under Recs. 4e and 22a and b and will be replaced by so-called ability and service record ratings. If these ability and service record ratings are to be paper records, not much advantage can be seen from the paper processing point of view. From a management point of view, the efficiency rating will no longer be used as an element in making periodic pay increases, reductions in force and separations for inefficiency.

Separating Inefficient Employees.

If the present system of separating inefficient employees is amended (Rec. 5b) and replaced by the procedure in Rec. 24, formal hearings will be established within the Department and it is doubtful if the new procedure will be any simpler than the present. It would be more restrictive and complex for separating probationary employees. The Commission would have appeal jurisdiction which they do not now have.

Veterans.

In the selection process, veterans will get added preference under Rec. 8 by being floated to the top of each examination rating category. The Report does not state whether a veteran should make a passing mark before getting his preference added. In reductions in force, they will lose their absolute retention rights and receive instead additional credit in reductions in force for military service (Rec. 23a). The Hoover Report recommends a nation-wide recruiting system for veterans (Rec. 9) which would increase the chances of veterans securing positions.

Agency Personnel Offices.

At present, the Budget Bureau develops patterns for personnel office operations in the agencies. Rec. 27 would put this authority with the Civil Service Commission.

Recommendations Which May or May Not Have an Effect on
The Operations Within the Department

The following recommendations of the Hoover Commission will probably not affect the Department much but could depending on the limitations, restrictions and delegations contained in the laws and regulations.

1. The authority to develop standards for the operation of agency personnel offices (Recs. 1d and 28)

2. The emphasis desired to develop programs to attract more young people into the agencies (Recs. 2c and 10).

3. The desirability of Congress to legislate authority to provide training for employees (Recs. 4c and 15). Some danger might result if limitations and restrictions are attached to the legislation.

4. The requirement that employees be provided ways and means of participating in the formulation and improvement of Federal personnel policies and practices (Recs. 4d and 21).

5. The change in reduction-in-force regulations to facilitate retention of employees best qualified to perform the duties irrespective of other considerations (Recs. 5a and 23a, b and c).

6. The authority given to the Commission to designate jobs as administrative (Rec. 13).

Recommendations Which Are in Effect in This Department Now

1. The requirement that the Director of Personnel be a member of top management (Recs. 1c and 29).

2. The responsibility for recruiting and examining Federal employees (Recs. 2a and 6a, b and c). This recommendation, if fully carried out, will increase the volume of work, but this has been expected.

3. The requirement that specific programs for promoting career employees be worked out and that promotion opportunities across agency lines be developed (Recs. 4a and b, 12 and 14).

4. The requirement that within grade promotions be granted only when the supervisor will certify that it is warranted (Rec. 25).

RECOMMENDATIONS OF THE HOOVER COMMISSION ON GOVERNMENT STATISTICAL ACTIVITIES

Impact of recommendations on the Department of Agriculture

The Commission and related Task Force reports deal in a comprehensive way with the nature and shortcomings of the far-flung and complex statistical activities of the Federal Government and recommend ways and means by which these activities can be better coordinated and improved. The only essential difference between the Commission and Task Force recommendations relates to the location of the Central Statistical Control Agency. (The Commission recommended that this responsibility be given to the present Division of Statistical Standards, with enlarged powers, in the Office of the Budget. The Task Force recommended that it be a separate office in the Executive Office of the President. Messrs. Hoover and Fleming dissented from the Commission's position and suggested that it be a separate office in the Office of General Services.) The discussion takes into account the recommendations of both reports.

The nature of the recommendations and their probable impact on the Department of Agriculture follow:

Organization and Functions

Federal statistical activities should be divided among several agencies rather than be centered in one central agency.

Com. Rec. 1; T.F. Rec. 1, 2, 3, 9, 10, and 11.	The proposal continues the present general practice of having separate statistical agencies throughout the Government but provides for increased coordination and control. Greater overall control is to be achieved by expanding the powers of the Division of Statistical Standards in the Office of the Budget. Greater centralization is to be achieved by giving the Census Bureau responsibility for collection and tabulation of all repetitive large-scale tasks not requiring "specialized knowledge." Diversity is to be

maintained by having special-purpose agencies continue research and analysis in their fields and collect data requiring "specialized subject-matter knowledge." Wider coverage is to be obtained through fuller exploitation of the statistics resulting from administrative and regulatory activities.

Statistical agencies in the Department provide highly specialized statistics both of a one-time and a repetitive nature as well as statistics arising as a byproduct of its administrative and regulatory activities. The impact of this recommendation, therefore, on the Department's statistical program will hinge, in a large degree upon: (1) The way in which such terms as "specialized statistics," "specialized knowledge," and "focal agency responsibility" are defined or interpreted by the central statistical control agency, and (2) the extent to which the central agency determines that the administrative and regulatory agencies are required to maintain the confidential nature of information arising from their activities. Presumably, most of the work now being carried on in the Department would come in the category of "specialized statistics" because of the specialized knowledge required, the contacts which the Department already has with the agricultural interests furnishing the information and because of the close tie-up of statistical activities with administrative and planning functions of the Department.

Administrative Direction and Control

Responsibility for central direction and control of Federal statistical activities to be assigned to a central statistical control office.

Com.Rec. 2 and 5; T. F. Rec. 2, 4, 10, 12, 13 to 17 and 22 to 26

Office given extremely wide powers--to be responsible for the adequacy of the system as a whole; for its economical operation; for assigning functions to and coordinating the activities of all statistical agencies and for determining the need for and priorities among these activities; as well as for the enforcement of desired procedures

> and appropriate standards. In addition, the office is to summarize and consolidate the operating expenses and appropriation requests of all statistical agencies; to appear before committees of Congress to testify upon this and upon the total statistical program to recommend improvements in same, including suggestions for new legislation. It also is to formulate long-range statistical programs to meet war and other emergencies; to develop a coordinated publication program; and to improve both statistical collection techniques and analysis generally throughout the Government.

The impact of this recommendation on the Department could be either helpful or of a damaging nature, depending upon how the central statistical office is staffed, how objectively and wisely it interpreted and exercised the broad powers assigned to it, and how effentively and willingly the special-purpose agencies cooperated and participated in the operation of the general statistical program. The central office could do a great deal toward improving the quality of statistical collection and analysis, in eliminating overlap in areas of doubtful jurisdiction, and in unifying the diverse activities of the several agencies, provided it were completely objective and fully utilized the specialized knowledge of the technical personnel in the affected agencies in the development of the criteria and recommendations for changes in functions and procedures.

On the other hand, if it were operated in an independent and arbitrary manner it could impede, if not jeopardize, both the Department's statistical program and its research and operation programs as well. Uncertainty as to how the agency might function, in fact, is why unqualified approval of the recommendation should be withheld. If the powers suggested for the central control office were invoked in their extremest form, control of the Department's statistical program would virtually be transferred to that office.

it would have the final authority, not only to determine what agricultural statistics are needed, but also where and how they could be collected. Although a somewhat greater degree of control than now exists in the Federal statistical program is needed, there is serious question whether it is necessary to go as far as proposed in this recommendation, or whether it would be feasible for such an office to exercise such broad powers wisely and effectively.

Shifting Cost to Beneficiaries

> The cost of statistical services that are mainly of benefit to special groups should, to the greatest extent possible, be shifted to the beneficiaries.

Com. Rec. 3; T. F. Rec. 28. This recommendation would change present authority generally available to the Department and would permit acceptance of funds from private sources in payment for special services, such receipts to be credited to related appropriation accounts. Since the beneficiaries of statistical services rendered by the Department usually involve more than one specific-interest group, it would be feasible to shift only a negligible portion of the total cost of the statistical program to beneficiaries. The impact of this recommendation on the Department, therefore, would be slight, unless, of course, the services rendered to special interest groups were greatly expanded. Since one of the recognized functions of the Department as set forth in the Organic Act is "to acquire and diffuse useful knowledge", it is especially important to avoid confusing the "public" and "private" interests, so that the objectivity of the Department's statistical program and its service to the farmer and general public not be impaired.

Relationship of Statistical Agencies to Respondents and Users

> Reduce burden on respondents through:
>
> Continuation and further extension of present efforts toward simplification and reduction in number of questionnaires, and through maintenance of a central mailing list, etc.;

Eliminating the duplication and overlap in reports sent to users including discontinuance of reports no longer needed;
And closer coordination and unification of Federal-State statistical programs, etc.

Com. Rec. 4; T. F. Rec. 6, 18 through 27.

The phases of the recommendation dealing with respondent burden and Federal-State coordination are presently complied with by the Department under the Federal Reports Act of 1942 and through memoranda of agreement. The Department, however, should question the practicability of maintaining a central mailing list due to the almost impossible task of keeping a list with such diverse uses up to date. To the extent that duplication, overlap, and unnecessary reports presently exist, adoption of the recommendation would bring economies within the Department. However, the final decisions on these matters would be largely transferred from the Department to the central statistical control office.

Improving Quality of Statistics

T. F. Rec. 4, 5, 7, 8, 13, 14, 15, and 17.

Continuous and increasing effort should be given to:
Maintenance of objectivity in collection, analysis and interpretation;
Recruitment and training of high-quality personnel;
More even development and application of improved techniques and procedures;
Standardization of concepts, definitions, and classifications;
Greater accuracy, representativeness, and comparability of statistical series.

The adoption of this recommendation would be highly advantageous to the Department's statistical program. It would simply underwrite and re-inforce present efforts in this direction. It should be recognized, however, that the greatest limitation upon improving quality is a matter of lack of funds rather than lack of knowledge of improved methods and procedures.

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REPORT OF HOOVER COMMISSION ON THE NATIONAL SECURITY ORGANIZATION

I. Effect adoption of recommendations would have on USDA.

The Commission's recommendations on the National Security Organization bear no important direct immediate relationship to Departmental policies, activities, and organization. To the extent that adoption of the recommendations might result in more clearly defined security objectives, greater coordination between the components of the security organization, and more urgent and realistic activities toward the achievement of security objectives, USDA's participation in such activities might become less duplicatory, more meaningful, and, possibly, more intensive and extensive.

The absense of specific recommendations relative to the place of agriculture in the security program makes the impact of the Commission's proposals difficult to assess. Correspondingly, we have indicated below the pertinent recommendations of the Commission and statements of the Task Force, and have expressed comments on what appear to be logical implications.

II. Recommendations pertinent to USDA.

No. 4. (C.R. p. 19) This calls for greater teamwork throughout the National Security Organization. Of particular interest is:

4(b). That the jurisdiction and activities of the National Security Resources Board be further defined and clarified.

The Staff Report (p. 91) says NSRB lacks a clarity of purpose and has not been strongly supported or adequately utilized.

Comment: Clarification of the function of NSRB and the relationships of other government agencies to it would be helpful, would enable the Department to better organize itself to undertake work assigned to it, and would make USDA participation more meaningful.

No. 6. (C.R. p.20) This calls for greater progress in mobilization planning. Of particular interest are:

6(a). That emergency plans for civilian and industrial mobilization be completed promptly and continuously revised.

The Staff Report (pp. 90-93) says greater urgency in mobilization planning is needed. An outbreak of war might find us without a mobilization plan. Mobilization planning should relate to current policies; must be flexible.

Comment: Expedited mobilization planning directed at specific and understood objectives might call for more USDA participation than at present. Continuous planning would presumably call for continuous participation to some degree.

6(b). The use of civilian advisory boards should be continued.

The Staff Report (p. 21) calls for more civilian and industrial participation in NSRB and Munitions Board planning activities, mentioning specifically representation by labor, industry, and agriculture.

Comment: Apparently this contemplates balanced advisory participation by the three major segments of the economy. It appears also to contemplate direct representation rather than representation through government agencies. As the function would be of an "advisory", rather than "action" nature, presumably it would not eliminate the need for USDA participation in the over-all NSRB & MB programs.

6(c). That full responsibility and authority for formulating stockpile policy and for its execution be clearly determined and centralized.

The Staff Report (p. 92) says the condition of the stockpile is "deplorable," blaming limited appropriations, purchase restrictions, lack of centralized responsibility and directive, and inadequate information concerning inventories and condition. ECA help in obtaining greater requisitions is urged.

Comment: It is presumed this was written before Steelman's recent "clarification of stockpiling responsibility" was issued.

6(d). That further steps be taken immediately under the President's direction to prepare plans for civilian defense. Such an effort will require the participation of many agencies of Government. . . .

The Staff Report (p. 95) refers to the (Hopley) report, prepared by a committee reporting to the Secretary of Defense. It recommends this report be cleared by the agencies concerned and the resulting permanent office for Civil Defense be promptly established in NSRB.

Comment: Presumably, many segments of USDA would be called upon to participate in the functioning of a civil defense program. The Department's separate comment on the Hopley report indicates many USDA interests.

6(e). That defenses against unconventional methods of warfare be developed promptly and more vigorous attention be given psychological warfare.

The Staff Report (p. 96) says "some" progress has been made along the lines of defense against unconventional methods of warfare, a "broad, rather ill-defined field with many special aspects." Concerning psychological warfare, it asserts defensive psychological warfare requires no special attention at this time, but that facilities and mechanisms for waging psychological warfare are inadequate. Mechanisms for the coordination of various now scattered activities should be established.

Comment: More work in unconventional warfare defense might mean more USDA work along related lines of radiological, biological, and chemical warfare. USDA might be requested to undertake work in psychological warfare as applied to agricultural programs.

6(f). That the economic warfare section of NSRB develop a comprehensive economic warfare program aimed at supporting national security both in peace and war.

The Staff Report says as much. No more.

Comment: Presumably this looks to foreign economic programs which more specifically forward coordinated security objectives. (Examples might be foreign trade policies, ECA, etc.) If so, too, added departures from present world-assistance type programs, such as FAO, etc., might result, with more emphasis being placed on the extent to which they implement security considerations and less on general world needs.

III. Important differences between the Commission recommendations and the Staff Report.

The Staff Report (pp. 87-89) said "Scientific research and development must be placed on a sounder basis and related more closely to military policy and strategic plans." In more detail, it stated that: the country is not getting full value from research; research and strategic plans must be brought closer together; the Research and Development Board should have greater influence on research programs and more responsibility should be vested in it; basic research is necessary and some government support is essential, but should be administered through a National Science Foundation rather than the Navy, in the absence of such an organization; the implications of major changes which are resulting in the financial structure and economy of educational institutions from military research contracts, should be studied; the educational institutions of the country should not be controlled through Federal subsidy.

The Commission omitted any reference to this subject.

Submitted by:

G. H. Gilbertson, Secy's Ofc.
L. B. Taylor, P.M.A.
J. D. Forbes, Solicitor's Ofc.

Report of the Hoover Commission on Post Office

Impact of Recommendations on the Department of Agriculture

Summary

Your committee to summarize the impact of the proposals of the subject report on the Department has concluded that the adoption of such Post Office report would not substantially affect operations of the Department. The Committee makes the following specific observations:

Decentralization of Post Office into 15 Regions

The adoption of the recommendation to decentralize the Post Office into 15 regions, wherein the Regional Director of Posts would have supervision over all post offices in a prescribed area, should facilitate operation of the Department's field offices as many of their problems could be answered by the Regional Directors of Posts in their particular area. (Recommendation No. 3, page 9)

Report on Volume of Mail

The "business form" of budget, accounting and audit, as used by Government corporations, which gives modern business flexibility of management, if adopted by the Post Office, might lead to a requirement on all Government departments to forecast their volume of mail to the Post Office for budget purposes. (Recommendation No. 6, page 14 and Recommendation No. 9, page 17).

Postage Rates

There is an implied recommendation to raise postage rates. If done, there is a possibility of increased costs to the Department through additional charges for certain classes of postage, such as fourth class, special delivery, air mail, registered mail and money orders. (Recommendation No. 8, page 16).

Penalty Mail Payment

In the Commission's report, no specific mention is made on penalty mail, but in the task force report on page 30, it is implied that no charge should be made to agencies for mailing services as it recommends that "It should be immaterial to the Post Office Department whether it is reimbursed by a particular agency of the Federal Government for services performed for that agency or by an appropriation made by the Congress directly to the Post Office Department to defray the cost of that service. The simpler accounting in the case of direct appropriations would appear to outweigh any advantages of the other method. It is important, however, that the actual cost to the Post Office Department be identified and provided for either directly or indirectly."

Space

In the Commission's report, no mention is made regarding the occupancy of free office space in Post Office buildings. On page 30 of the task force report,

there is a statement regarding allocation of surplus office space. There is nothing in this statement which would appear to affect the Department in its occupancy of free office space in Post Office Department buildings.

Dissemination of Information

In the Commission's report, nothing is mentioned which would affect the use of the mails in the dissemination of agricultural information under the Department's Organic Act.

Reorganization Proposed . . .

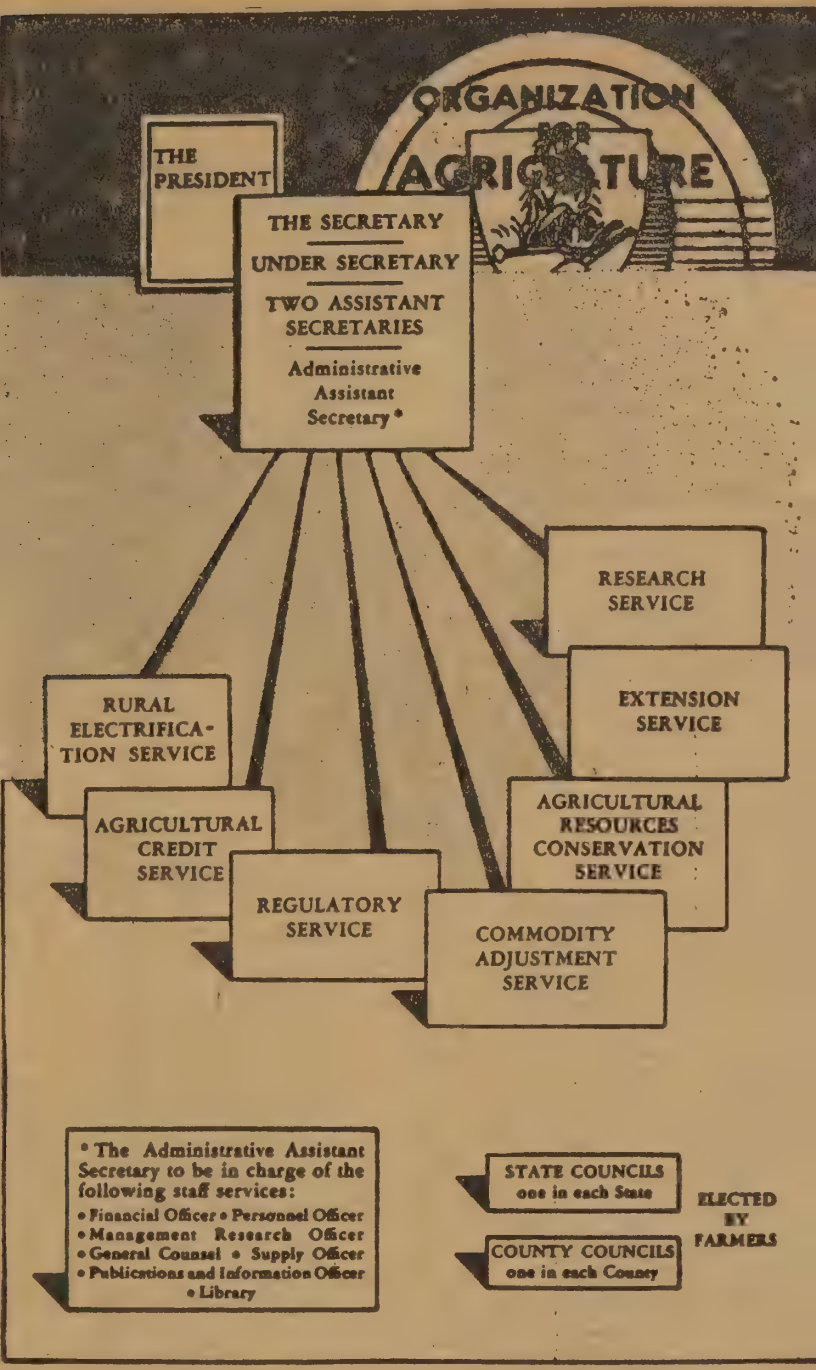

Chart shows proposed reorganization of Agriculture Department

Aden Tribe Retakes Fort; Bandits Gone

Cairo, Egypt, Feb. 22 (U.P.)—Two thousand fierce camel-riding tribesmen, led by a desert chieftain bent on revenge, have recaptured the fortress of Hillin in Aden protectorate, it was reported today.

They met no resistance. A British plane had dropped leaflets warning the bandits to expect no quarter unless they surrendered.

Mohammed Ben Saleh, the chieftain, found the gates open and the intruders gone with the livestock.

A month ago, neighboring tribesmen paid a "friendly call" on Mohammed's father, Sultan Saleh Ben Omar, ruler of the region.

After they had been wined and

Mr. Brannan

UNI[illegible] STATES DEPRATMENT OF AGRICULT[illegible]
Office of the Secretary
Washington 25, D. C.

CONFIDENTIAL

Study Committee on Hoover Commission Recommendations

Report of Meeting of February 28, 1949

Present: Miner, Fretts, Wells, Gilbertson, Overby, Lucas, Elliott, Kepner, Stone, Murphy (FS), Loveridge, McCormick, Dunkleberger, Tichenor, Mehl, Luman, Bear, Thurston, Betts, Koebel, Spencer, Abbot, Martin, Radigan, Howard, Will, Rossiter, Wheeler, Herrell, Murphy (FCA), Harris

1. The Chairman reported that the Bureau of the Budget would request comments on four over-all reports (probably Gen. Management, Personnel, Office of Gen. Services, and Budget and Accounting). Requests for legislative reports on bills connected with certain reports have been received.

2. Where Commission report is general or silent and task force report is specific, which controls? No authoritative answer - but task force report may be used to provide more details or to explain Commission recommendations when this appears consistent.

3. Subcommittee Chairmen are invited to attend future meetings of over-all committee if they desire. The next meeting will be held on call. Chairmen will be notified.

4. The Subcommittee on General Management of the Executive Branch (Chairman: Thurston) and Reorganization of the Post Office (Chairman: Lucas) made their reports. These reports were followed by discussion of need for uniform arrangement of reports. The attached example will serve as a guide for future reports.

5. Other instructions to subcommittees:

   a. Subcommittees should call attention to important differences between Commission and task force reports.
   b. Discussion of task force recommendations should clearly indicate the task force as the source.
   c. It is proper to take note of recommendations in other subject reports if necessary - but should be done sparingly.

6. The group reviewed a chart attempting to reflect Department of Agriculture organization as proposed by Commission and task force. Further changes are to be made in the chart. Any copies outstanding should be returned to A. J. Martin, Office of Personnel.

7. Future drafts of study materials should be designated "Confidential" (1 AR 583). This designation avoids undesirable distribution.

8. J. P. Covin, BAE, will serve as Chairman of the Subcommittee on Reorganization of the Department of Commerce.

Example

Report of the Hoover Commission on General Management of the Executive Branch

Impact of Recommendations on the Department of Agriculture

Executive Leadership and Direction

The Secretary to exercise stronger direction and control over internal administration

In general, the report urges that the President and the Department heads be given sufficient authority and staff assistance to enable them to exercise real leadership and direction and that they be held accountable to the people and Congress for the efficient and effective conduct of the agencies under them. This would exercise more positive leadership and control of internal administration throughout the Department than at present.

Cabinet and other Committees

There should be closer executive control of committees.

The Commission recommends that the membership and assignment of Cabinet committees should be determined by the President (Recommendation No. 6). The President's Office should exercise greater control over the establishment, assignments, and termination of inter-departmental committees (Recommendation No. 8). The same problem applies to departmental committees, and if applied to this Department, Recommendation No. 8 would mean that there would need to be some means for exercising control in establishing and terminating Departmental committees.

W. S. Harris
Secretary
(Extension 4046)

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M. A. Minor, Assistant to the Secretary February 25, 1949

John S. Lucas, Office of Plant and Operations

Reorganization of Post Office; Report of Commission on Organization of the Executive Branch of the Government

Your committee to summarize the impact of the proposals of the subject report on the Department has concluded that the adoption of such Post Office report would not substantially affect operations of the Department. The Committee makes the following specific observations:

The adoption of the recommendation to decentralize the Post Office will facilitate operations of field offices as problems would not have to come all the way to Washington. (Recommendation No. 3, page 9)

The use of a business budget as recommended might lead to a requirement on all Government Departments to forecast their volume of mail for the budget of the Post Office. (Recommendation No. 6, page 14 and Recommendation No. 9, page 17)

There is an implied recommendation to raise postage rates. If done, there is a possibility of increased costs to the Department through additional charges for certain classes of postage, such as fourth class, special delivery, air mail, registered mail and money orders. (Recommendation No. 8, page 16)

PENALTY MAIL - In the Commission's report, no specific mention is made on penalty mail but in the task force report on page 30, it is implied that no charge should be made to agencies for mailing services as it recommends that ".... an appropriation be made by the Congress directly to the Post Office Department to defray the cost of that service."

SPACE - In the Commission's report, no mention is made regarding the occupancy of free office space in Post Office buildings. On page 30 of the task force report, there is a statement regarding allocation of surplus office space. There is nothing in this statement which would appear to affect the Department in its occupancy of free office space in Post Office Department buildings.

DISSEMINATION OF INFORMATION - In the Commission's report, nothing is mentioned which would affect the use of the mails in the dissemination of agricultural information under the Department's Organic Act.

John S. Lucas, Chairman of the Committee
Members
Harold A. Stone, Budget and Finance
James D. Forbes, Office of the Solicitor
Richard A. Hollis, Office of Information

cc: Mr. Luman, P&O

T. A. Miner, Assistant to the Secretary February 20, 1962

John F. Lemer, Office of Plans and Operations

Reorganization of Post Office Department of Canada on Formulation of the Executive Branch of the Government

Your question to summarize the impact of the proposals of the policy report on the Department has convinced that the adoption of such plans report would not substantially affect operations of the Department. The Canadian mains the following specific observations:

The adoption of the recommendation to incorporate the Post Office will facilitate operations of field offices as problems would not have to come all the way to Washington. (Recommendation No. 3, page 9)

The use of a business budget or programmed data fund is a requirement on all Government departments to forecast their volume of mail for the budget of the Post Office. (Recommendation No. 4, page 14 and Recommendation No. 5, page 17)

There is no legal requirements to raise postage rates. If not, there is a possibility of increased costs in the Department through additional charges for certain classes of postage, such as Special Delivery, air mail, registered mail and money orders. (Recommendation No. 8, page 32)

POLICY MAIL - In the Foundation's report, no specific mention is made on penalty mail but in the Task Force report on page 20, it is implied that no change should be made in agencies for mailing services as it mentions that "... an appropriation be made by the Congress directly to the Post Office Department to defray the cost of that service."

IPS-2 - In the Foundation's report, no mention is made regarding the savings of floor or floor space in Post Office buildings. On page 20 of the Task Force report, there is a statement regarding allocation of surplus office space. There is nothing in this statement which would appear to affect the Department in its accuracy of free office space in Post Office Department buildings.

Distribution of Personnel - In the Foundation's report, relating to positions which would affect the mail in the dissemination of agricultural information under the Department's Depredo Act.

John F. Lemer, Chairman of the Committee
Members
Harold A. Stone, Budget and Finance
James T. Patten, Office of the Solicitor
Richard L. Malin, Office of Information

cc: Mr. Lumsar, PRO

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington 25, D. C.

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Study Committee on Hoover Commission Recommendations

Report of Meeting of February 21, 1949

Present: Minor, Abbot, Will, Radigan, Betts, Bear, Thurston, Conway, Luman, Haggard, Spencer, Hughes, Geissler, McCormick, Tichenor, Dunkleberger, Wells, Watts, Loveridge, Colvin, Howard, Rossiter, Elliott, Koebel, Overby, Harris, and Mehl

1. The Chairman described the objectives of the Committee to be the study of all Commission and task force reports in order to sumarize the impact of the proposals on this Department.

2. The following persons were designated to study Commission and task force reports:

General Management of the Executive Branch

John Thurston, SEC, Chairman
N. R. Bear, PERS
R. F. Koebel, SOL

Budgeting; Office of the Budget; Accounting

Ralph S. Roberts, B&F, Chairman
John C. Cooper, B&F
K. A. Brasfield, PMA-FIS
G. E. Tichenor, PMA-B&M
Elmer Mostow, SOL
T. F. Murphy, FCA

Government Statistical Activities

F. F. Elliott, BAE, Chairman
R. L. Tremain, SOL
S. R. Newell, PMA-ADM
Joseph Becker, OFAR
J. F. Kendrick, ARA

Office of General Services

W. S. Harris, SEC, Chairman
James Scammahorn, B&F
John L. Wells, B&F
T. J. McAdams, P&O
L. E. Donaldson, P&O
J. H. McCormick, INF
E.C. Betts, Jr. LIB
E. W. Loveridge, FS
J. D. Forbes, SOL

Federal Personnel Management

J. L. Buckley, PERS, Chairman
E. J. Overby, SEC
R. L. Tremain, SOL
H. D. Cochran, FS

Reorganization of Foreign Affairs Activities

Fred Rossiter, OFAR, Chairman
J. O. Howard, OFAR
A. R. DeFelice, SOL
N. Koenig, SEC
R. W. Herder, PMA-B&M

Reorganization of the National Security Organization

G. H. Gilbertson, SEC, Chairman
L. B. Taylor, PMA-PSF
J. D. Forbes, SOL

Reorganization of the Treasury Department

John C. Cooper, B&F, Chairman
J. D. Forbes, SOL
K. A. Brasfield, PMA-FIS

Reorganization of the Department of Agriculture

Overall Study Committee & Secretary's Staff

Reorganization of the Post Office

John S. Lucas, P&O, Chairman
H. A. Stone, B&F
Richard Hollis, INF
J. D. Forbes, SOL

Reorganization of the Department of Commerce

F. F. Elliott ,BAE, Chairman
Robert Schwenger, OFAR
L. B. Taylor, PMA-PSF
A. R. DeFelice, SOL

Reorganization of the Department of Interior

Ralph Will, SEC, Chairman
George W. Haggard, REA
E. W. Loveridge, FS
E. F. Mynatt, SOL
H. D. Abbot, SCS

Medical Services

Dr. M. T. Johnson, PERS, Chairman
Gertrude Drinker, FHA
Miss Elin Anderson, EXT
R. L. Tremain, SOL

Reorganization of Veterans Affairs

A. T. Radigan, SEC, Chairman
T. F. Murphy, FCA
L. D. Malotky, FHA
S. B. Herrell, PERS
R. F. Koebel, SOL

Reorganization of Public Welfare Activities

George R. Phillips, SEC, Chairman
L. R. Trainer, PMA-FDP
Frate Bull, FHA
E. J. Niederfrank, EXT

Regulatory Agencies

J. M. Mehl, CEA, Chairman
S. R. Newell, PMA-ADM
S. A. Rohwer, ARA
C. W. Bucy, SOL

Reorganization of the Business Enterprises of the Government

Ralph Roberts, B&F, Chairman
M. J. Hudtloff, CCC
Howard Bertsch, FHA
T. F. Murphy, FCA
George W. Haggard, REA
G. F. Geissler, FCIC
E. W. Loveridge, FS
Howard Rooney, SOL

3. Chairmen will contact study group members and make necessary arrangements.

4. Any agency comments with respect to a report may be incorporated in a memorandum addressed to W. A. Minor. (This procedure applies to reports other than that on Reorganization of the Department of Agriculture, as all agencies will have full chance to discuss this report later.)

5. All working papers that are duplicated should be designated "Restricted - for Administrative Use Only." Since we are only studying the reports and have no Department position, comments outside the Department would not be appropriate at this time.

6. The study group on General Management of the Executive Branch will report at the next meeting.

7. The next meeting will be on Monday, February 28, Room 218-A, 2:00 p.m.

W. S. Harris
Secretary

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of the Secretary
Washington 25, D. C.

February 11, 1949

To: Heads of Agencies

From: W. A. Minor, Assistant to the Secretary W. A. M.

Subject: Hoover Commission Press Releases

1. Attached is a copy of a press release describing the Commission's recommendations on Federal personnel management.

2. It is likely that several releases per week will be received as recommendations are submitted to Congress. In order to speed their delivery to you without unnecessary delay, they will be sent forward in the future without a covering memorandum.

Attachment

HOLD FOR RELEASE

This material, based on the second section of the Commission's report to the Congress (Personnel Management) is given to you in confidence. PLEASE HOLD FOR RELEASE UNTIL PRESENTED TO EITHER BRANCH OF CONGRESS.

Commission on Organization
of the Executive Branch of
the Government
1626 K Street N.W.
EX 4160 -- C.B. Coates (2788)
Fred Hamlin (2789)

A fundamental revision in structure and methods of federal personnel management was proposed today by the Commission on Organization of the Executive Branch of the Government.

This revision is necessary, the Commission said, "in order to build a career service which will select the best of our citizens on merit, free from political influence, with incentives in the form of genuine opportunities for promotion in the service, and which will eliminate the unnecessary and inefficient employees."

This report, on "Personnel Management," is the second section in a series of 15 which will go to Congress between now and March 13. The 12-man, bi-partisan Commission was created by Congress in July, 1947. One Commissioner, Dr. James K. Pollock, entered a dissent from the Commission's findings on personnel.

If recommendations made in the report are approved, the present concept of the Civil Service Commission would be changed and the Chairman would become a member of the President's Executive staff as chief adviser on all federal personnel matters.

Four recommendations were made for reorganization of the Civil Service Commission:

a. The Civil Service Commission should place primary emphasis on staff functions, rather than upon processing a multitude of personnel transactions.

b. The Civil Service Commission should be reorganized to vest in its chairman the responsibility for the administrative direction of its work.

c. Heads of all departments and agencies should be required to have on their top management staffs a director of personnel

d. The Civil Service Commission should be required to develop standards for the operation of personnel offices in the departments and agencies.

The Commission points out that the federal government's total civilian employment in 1948 averaged 2,043,000. Twenty years ago it was 570,000. The total annual salaries paid to civilian employees leaped in 20 years from approximately $1,000,000,000 to $5,650,000,000 per annum. The government comprises over 60 great enterprises, each with its own problems and requirements. Personnel skills now number over 15,000, or two-thirds as many as the requirements of all private enterprises.

Deficiencies Noted

While the Commission concedes that substantial progress has been made in introducing and promoting modern personnel management practices, it finds many deficiencies still outstanding. Among these deficiencies the report listed:

Centralization: "Centralization of personnel transactions in the Civil Service Commission and in the central personnel offices of the departments and agencies has resulted in unjustifiable delays and stands in the way of a satisfactory handling of the government's personnel problems."

Recruiting and Examining: "Machinery for recruiting is not adapted to the variety and numbers of workers required. It has proved to be too slow and cumbersome...The government often fails to get the right man for the job or the right job for the man...Not enough time and effort are being spent on recruiting our best young men and women for junior professional, scientific, technical and administrative posts."

Rates of Pay: "A comprehensive pay administration policy for the entire executive branch is long overdue. The policies now in force lead to situations where pay varies not only from agency to agency but also within agencies. Too many supervisors believe that action to reduce the number of persons in their units will result in their salaries being reduced, while increases in the number of persons in their units will lead to their salaries being increased. This makes supervisors believe that they will be rewarded for inefficiency, and encourages 'empire-building.' Salary ceilings for professional, scientific, technical and administrative personnel are so low that many of the best men and women in these fields are forced to leave the government service for private enterprise."

Obstacles to Career Service: "Departments and agencies have failed to develop adequate programs for promoting career employees from one level of responsibility to the next. Inadequate opportunities are provided employees for the presentation of suggestions designed to improve the

government's practices and procedures in the personnel field. The efficiency rating system is too complicated and the legal requirements that the system be used as a basis for both rewards and penalties stand in the way of its contributing to sound supervisor-employee relationships. Reduction-in-force regulations do not retain the best qualified persons when it becomes necessary for the government to reduce the number of persons on the pay roll. In view of the relative security offered by government employment, the recruitment of over 500,000 persons a year to fill vacancies caused by turn-over is an indication of the existence of low morale, due, in part to poor supervisory practices. The separation of inefficient and unnecessary employees has been surrounded with so much red tape as to inhibit action. There is little desire upon the part of some of the best talent in the country to enter civil service as a career.

Other Weaknesses: "Personnel offices in many instances are overstaffed. A recent survey of major agencies employing 1,800,000 showed that in those agencies there are now over 23,000 employees in personnel offices earning a total of $760,000,000 a year -- a personnel worker for every 78 employees. We have found that, in some instances, there is one personnel worker for every 38 employees. The Civil Service Commission is not organized to handle personnel problems as quickly as they should be, nor to render effective over-all leadership in the personnel field."

Proposed Remedies

Recruitment and Placement:

a. The President, by Executive Order, should require all major departments and other agencies to conduct vigorous recruiting programs for, and to examine and make final appointments to: all high-level administrative,

professional, and technical positions: all positions peculiar to the agencies and any other classes of positions which in the judgment of the Civil Service Commission can be filled more effectively by the agencies.

b. All applicants for civil service posts should be grouped into categories such as "outstanding," "well qualified," "qualified," and "unqualified." Within each quality category, veterans should be considered ahead of non-veterans.

c. A nation-wide recruiting system to place veterans in federal positions should be operated through selected government agencies for the next three or four years in principal communities.

d. Departments and agencies should be required, consistent with funds available for such purposes, to recruit each year a specified number of young men and women for junior professional, scientific, technical and administrative posts.

Development of a Career Service (Salaries):

The Commission said that "unrealistic levels of compensation for technical, scientific and executive personnel receiving more than $5,000 a year constitutes one of the principal reasons for the government's poor 'holding power' as an employer."

While the pay of federal employees in the various grades under $5,000 a year has been advanced 38 to 56 percent since 1939, those in the highest pay grade either have not been advanced at all, or where any increase has occurred, have been advanced a maximum of 15 percent....As a result the government is losing some of its ablest men to private employment.

The Commission recommended that:

a. Congress should raise the present salary ceiling of $10,300 for career employees. At the same time it should increase legislative, judicial, and executive salaries at the level of assistant secretary, or its equivalent and above.

b. The President should direct the departments and agencies to work out practical programs designed to facilitate the promotion of career employees, and the Civil Service Commission should enforce the President's directive.

c. The Civil Service Commission should be required to identify the jobs which could be appropriately classified as administrative.

d. The President and the Congress should place the Civil Service Commission in a position where it can spend more of its time and resources on developing a program to facilitate transfer of competent career personnel -- particularly in the technical, scientific, and executive areas -- from one agency to another.

Provision for Improving Efficiency and for Participation of Supervisors and Employees in Personnel Management:

a. The President should require the heads of departments and agencies to provide for employee participation in the formulation and improvement of federal personnel policies and practices. The Commission suggested one possible method would be to establish within each agency a council composed of both supervisory and employee representation. Such a program, the report said, would result in suggestions which would materially reduce the time, money, and personnel used in perpetuating the red tape which exists in the personnel field.

b. The present efficiency rating system should be replaced by "ability and service record" ratings under which the supervisor would be required to evaluate, at least annually, each employee's ability, past performance, progress, and potential usefulness to the organization on specific factors, indicating for each factor whether the employee is superior, satisfactory or weak. Personal conferences with each employee would follow. "Ability and service record" ratings should not be used as basis for determining whether employees are to receive periodic salary increases, as a basis for determining the order of layoffs in connection with reduction in force, or as a basis for instituting dismissal actions.

c. The statutory basis for, and regulations governing reductions in force should be changed so there will be a more realistic ranking of employees from the standpoint of their over-all usefulness, so that the procedures will not be so complex, and that veterans would be given additional credit in reductions in force for each six months of service with the Armed Forces, but, except for those with disability preference, they not be accorded the absolute preference retention which they now receive under the law.

d. With respect to the problem of securing a more realistic ranking of employees for retention purposes, it is felt that such ranking should be approached from the point of view of "which employees should be retained" rather than which should be eliminated.

e. The President should direct the heads of all departments and agencies to put into effect a simple, clear cut, and intelligent procedure for discharge of incompetent employees.

f. Employees should receive periodic salary increases within their job grade only when the supervisor will certify, at the time the increase is due, that the employees performance and conduct warrant the increase.

Additional Recommendations

In addition to the reorganization of the Civil Service Commission, the report recommends that primary responsibility for recruiting and examining federal employees should be placed on the departments and agencies. The Commission also recommended that appointing officers should be given more leeway than the present "rule of three" permits in the selection of personnel from among qualified applicants. The Commission believes that far greater emphasis should be placed on the development and execution of programs designed to attract first-rate young men and women for subordinate (junior) professional, scientific, technical and administrative posts.

Rates of Pay: The Commission recommends that Congress enact a law which would embody a comprehensive pay policy for the entire executive branch. Other recommendations in this category include:

a. Authority to evaluate jobs for pay purposes should be delegated to the departments and agencies under standards established and enforced by the Civil Service Commission.

b. In granting authority to the executive branch, the Congress should make it possible for the President to issue and enforce rules which will reward administrators and supervisors for actions which reduce the number of persons on the federal pay roll.

c. Rates and compensation for postal, clerical, subprofessional, and blue-collar jobs should be fixed and adjusted in relation to prevailing locality, area or industry pay differentials.

Developing a Sound Career Service: The Commission recommended that departments and agencies should be required, under the direction of the Civil Service Commission, to work out specific programs for promoting career employees.

"The Civil Service Commission should be given the authority and resources for developing a program which will open up promotion opportunities across agency lines," the report said, adding, "Congress should make it possible for the executive branch to provide for the training of its most promising career employees."

The report said that heads of Departments and Agencies should be required to provide for the positive participation of employees in the formulation and improvement of federal personnel policies and practices. The efficiency rating system should be simplified, the report said, and should be used solely to develop a better understanding between supervisors and employees.

Separation of Employees: "Congress should amend the law dealing with reductions in force to permit regulations to insure the retention in the federal service of men and women who are best qualified to perform the duties of their jobs, irrespective of other considerations." Existing directives dealing with dismissals, the report said, should be amended so as to provide a more workable method for separating inefficient employees.

Dissent

One member of the Commission, Dr. James K. Pollock, Professor and Chairman of the Department of Political Science, University of Michigan, filed some additional views to the Commission report.

Dr. Pollock said he was unable to give the report his unqualified approval for the following reasons:

1. The report's most vital recommendations lack clarity and exactness.

2. The report reflects an unduly limited concept of personnel administration, viewing it as a procedural, mechanical process called "personnel transactions."

3. The report minimizes the shortcomings of the present civil service system. In addition it reveals a tendency to shift responsibility for present defects to the legislative branch, to the President and his departments, and to agency personnel offices, without acknowledging that many faults stem from Civil Service Commission rules and procedures under which agency officials are compelled to operate.

4. The report fails to take the full step forward necessary to improve the quality, morale and performance of federal personnel. Half-way measures, palliative in nature, and vague references to decentralization under "standards" simply will not bring about the reforms which are pressing for attention.

Commissioners

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DEPARTMENT OF AGRICULTURE
Office of Secretary
WASHINGTON

~~MR. THATCHER~~
~~MR. NORBERG~~
~~MR. LUMAN~~
~~MR. WEIR~~
~~MR. WRIGHT~~

Mr. McCabe
Mr. Knauff
~~Mr. Luman~~
~~Supt. Hardinge~~
Mr. H. E. Weir
& return to
Mr. Luman

February 8, 1949

To: Heads of Agencies

From: W. A. Minor
Assistant to the Secretary W.A.M.

Subject: Hoover Commission Reports

1. Attached is a copy of Mr. Hoover's testimony on H. R. 1569, Reorganization Act of 1949.

2. Also attached is a release on the report submitted to Congress on Monday, February 7.

3. Agency orders for Commission reports received in response to my memorandum of January 27 will be forwarded to the Superintendent of Documents this week.

Attachments

Commission On Organization
of the Executive Branch of
the Government
1626 K Street, N. W.
Washington, D. C.

Hold for Release Until
Delivered at Hearing
Scheduled for 10 A.M.,
Monday, January 31, 1949

EXecutive 4160
C. B. Coates (2788)
Fred Hamlin (2789)

Statement by the Honorable Herbert Hoover, Chairman, Commission on Organization of the Executive Branch of the Government, before House Committee on Expenditures in the Executive Office, Hearing on the Reorganization Act of 1949.

This legislation is just the first, and a necessary step, in the grievously-needed reorganization of the Executive Branch of the Government.

I need not point out that, first, we must get these 1800 "Bureaus", "Commissions", "Divisions", "Departments", "Administrations", and offices into some sort of orderly relation before we can even begin on the further steps which reorganization requires. That is the object of this legislation. There were only about 350 of these "agencies" twenty years ago, and that was too many even before the depression, and war multiplied them about four times. To secure efficiency and economy in the Government we must begin at this point to resolve them.

However, the most perfect alignment of these agencies would not solve the whole problem of reorganization. Other vital steps will also be necessary and will require different legislation. That is because aside from multiplicity and overlap in these agencies, their officials are, like Gulliver, enmeshed by thousands of strands of red tape, accumulated by legislative and executive action over half a century which paralyzes the efforts of the best of them.

As to the first step proposed in this bill, it is hopeless to expect Congress to investigate and legislate out the vast detail of the overlaps, the conflicts, the duplications and the lack of coordination among this multitude of agencies.

This is no creation of dictatorial powers. This bill proposes that the President take the initiative and propose plans for the redistribution of executive agencies to the Congress and that Congress reserve a veto power over such plans that he may propose. The sole purposes are to reduce expenses,

gain efficiency, and make life easier for the citizen in his dealings with the Government.

Regulatory Agencies

So far as I know, it is not proposed that the President should interfere with the quasi-judicial or quasi-legislative functions of the major "regulatory agencies", such as the Interstate Commerce Commission, the Federal Trade Commission and others.

I do not wish to be offering opinions on constitutional questions but I may say that it has been my own opinion that these "regulatory agencies" are not a part of the Executive Branch of the Government. They might thus be considered to be outside the constitutional mandate that "The executive power shall be vested in the President of the United States". The real problem is that these agencies thus being "independent" of the President's powers have branched out into purely executive functions. Prominent examples are the great business operations of the Maritime Commission and the railway safety inspection activities of the Interstate Commerce Commission. Assuming these "regulatory agencies" are independent of the President, it is a certainty that for orderly government their executive functions should be moved to the Executive Branch of the Government where they are within the authority and responsibility of the President. These administrative activities of the "regulatory agencies" may be a violation of the spirit of the Constitution and in any event, they are bad government. Their executive functions, as distinguished from their quasi-judicial and quasi-legislative functions, should be placed with functions of the same major purpose in the executive departments if we are to plane out overlaps and have a businesslike administration.

The Reasons for this Legislation

This first step in reorganization is an endeavor to solve two problems.

The first is to place, and at times consolidate, these 1800 "agencies" into groups of major purpose. Many agencies of related purpose are scattered over the Government. Such ill-setting creates constant overlaps, conflicts of jurisdiction, competition, and waste. And perhaps worst of all, it prevents development of unified purpose and policies. They should be placed cheek by jowl with each other under some single head who can reduce them to order.

Just as instances, there are over 30 agencies engaged in lending money, making guarantees, or insurance activities. There are 23 agencies engaged in major construction activities competing with each other for labor and materials, and scattered over 11 departments or agencies. There are 10 agencies dealing with major transportation questions (not including regulatory functions) scattered through eight departments and independent agencies.

Not all of such agencies can be set in one spot, but the situation can certainly be improved.

The second problem is to relieve the President of administrative detail and free him for more important duties of his office. I have here three lists of agencies (outside the regulatory agencies) that report direct to the President. One list shows 65 such agencies; another shows 94; and still another shows 101. The discrepancy in the lists is a difference of opinion as to how much responsibility the President has for them. Most of them exercise some executive function.

Of them, some 18 or 20 are major operational "departments", or "administrations", leaving somewhere between 45 and 80 secondary agencies reporting to the President--if they report to anyone. These agencies are usually, and significantly, referred to as the "independent agencies". If the President were to give each of them an hour a week, he would have no time for his major responsibilities in national policies and the conduct of the major "departments" and "administrations". In fact, the President cannot physically look after these "independent agencies" and they have little checking or direction. The idea is to place as many of them as possible under the direction of the major departments or administrations. My personal hope is that the total number of agencies of all kinds reporting to the President can be reduced to less than twenty.

Some Minor History

This legislation is not new.

After the failure of Presidents previous to my time to persuade Congress to remedy this problem of rearranging the agencies, I first recommended, in 1931, this idea of Presidential initiative in proposing plans with a Congressional veto. But the Congress of that time reversed the veto idea to a requirement of affirmative action by the Congress. That reduced the proposal to the level of any other general recommendation to the Congress. However, I sent to the Congress at that time proposals to combine 59 agencies into 9, out of the 350 then existing, but Congress took no affirmative action.

It was not until 1939 that Congress finally adopted this plan of action. Some progress was made under this authority to Presidents Roosevelt and

Truman, although the powers to make such proposals were greatly restricted. In the meantime, due to war and other causes, the number of agencies in the government has grown hugely. The authority to the President to initiate reorganization programs expired last April.

In closing, I think it is appropriate for me to repeat a statement which I made to the Congress 17 years ago (February 17, 1932):

> "We may frankly admit the practical difficulties of such reorganization. Not only do different factions of the Government fear such reorganization, but many associations and agencies throughout the country will be alarmed that the particular function to which they are devoted may in some fashion be curtailed. Proposals to the Congress of detailed plans for the reorganization of the many different bureaus and the independent agencies have always proved in the past to be a signal for the mobilization of opposition from all quarters which has destroyed the possibility of constructive action."

HOLD FOR RELEASE

This material, based on the first section of the Commission's report to Congress ("General Management of the Executive Branch") is given to you in confidence. PLEASE HOLD FOR RELEASE UNTIL PRESENTED TO EITHER BRANCH OF CONGRESS, probably about 12 Noon, Monday, February 7. Kindly guard against premature use or publication in the press or on the radio.

Commission on Organization
of the Executive Branch
of the Government
1626 K Street NW
EX 4160--C. B. Coates (2788)
Fred Hamlin (2789)

Broad consolidation and realignment of government agencies with far-reaching internal reforms were proposed today by the Commission on Organization of the Executive Branch of the Government in its first official report to Congress.

Today's report, on "General Management of the Executive Branch," is the first section in a series of 15 which will go to Congress between now and March 13. The reports culminate a vast research project begun when Congress created the 12-man, bi-partisan Commission in July, 1947. Since then research "task forces" have amassed many volumes of data which the Commission studied in preparing its reports.

Salient among the Commission's recommendations is one calling for consolidation "into about one-third" the present number of 65 departments, administrations, boards and commissions reporting directly to the President. (Page 36)

"It is manifestly impossible for the President to give adequate supervision to so many agencies," the report declares. "By placing related functions cheek-by-jowl, the overlaps can be eliminated and, of even greater importance, coordinated policies can be developed." (Page 34)

Warning that "the critical state of world affairs" requires that the government "act decisively to preserve its human and material resources," the report declares:

"If disorder in the administrative machinery makes the executive branch of the government work at cross-purposes within itself, the nation as a whole must suffer. It must suffer -- if its several programs conflict with each other and executive authority becomes confused -- from waste in the expenditure of public funds and from the lack of national unity that results from useless friction." (Page 2)

The Commission reiterates its support of the proposed Reorganization Act of 1949, reprinting in the report a letter which it addressed to Congress on January 13 urging passage of the Act. (Page VII) Both the letter and today's report were unanimously signed by the Commission.

Other principal findings of the report include:

Line of Command: "The line of command and supervision from the President down through his department heads to every employee, and the line of responsibility from each employee of the executive branch up to the President has been weakened, or actually broken, in many places and in many ways...Statutory powers often have been vested in subordinate officers in such a way as to deny authority to the President or a department head. For example, the statute governing the sale of helium to a foreign nation gave the Secretary of the Interior the authority to control such sales regardless of the opinion of the President...On some occasions the responsibility of an official to his superior is obscured by laws which require him, before acting, to clear his proposals with others. This breaks the line of responsibility and encourages indecision, lack of initiative, and irresponsibility." (Pages 3 and 4)

[illegible]

Recommendation: "Establish a clear line of control from the President to these departments and agency heads and from them to their subordinates with correlative responsibility from these officials to the President, cutting through the barriers which have, in many cases, made bureaus and agencies partially independent of the President." (Pages 7 and 8)

Administrators: "The federal government has not taken aggressive steps to build a corps of administrators of the highest level of ability with an interest in the program of the government as a whole." (Page 5)

Recommendation: "Develop a much greater number of capable administrators in the public service, and prepare them for promotion to any bureau or department in the government where their services will be most effectively used." (Page 8) (This foreshadows a portion of the Commission's report on Federal Personnel Administration, to be released at a latter date.)

Staff Services: "The President and the heads of departments lack the tools to frame programs and policies and to supervise their execution. No executive, public or private, can manage a large and complex establishment without staff assistance. Staff agencies must keep the President informed on the way in which the various departmental programs are related to each other, assist in defining specific programs pursuant to the instructions of the Congress, and help him supervise the execution of these programs. Staff agencies do this by helping the President control the common requirements of all government programs -- funds spent, legislation requested, personnel required, the relation of each program to others and to the national interest." (Page 5)

Recommendation: "Give the President and each department head strong staff services which should exist only to make executive work more effective and which the President or department head should be free to organize at his discretion." (Page 8)

The Executive Staff: In detail the report reviews the President's immediate staff (aside from the heads of departments and agencies). (Page 13) This consists of:

a. The White House Office.

b. The Bureau of the Budget.

c. The Council of Economic Advisers.

d. The National Security Council.

e. The National Security Resources Board.

Additions recommended: The Commission recommends the following additions to, and changes in, the Executive Office:

1. An Office of Personnel, headed by a Director of Personnel who should also be chairman of the Civil Service Commission. (Page 14-25)
2. A staff secretary in the White House Office. (Page 23)
3. Further expansion in the work of the Bureau of the Budget. (Page 25)
4. Replacement of the Council of Economic Advisers by an Office of the Economic Adviser with a single head. (Page 17)
5. Placement formally, as well as in practice, of the National Security Council and the National Security Resources Board with their respective staffs in the Executive Office of the President. (Page 21)

6. Provision of adequate funds to enable the President to use advisory commissions and to employ consultants or personal advisers "of eminence and prestige" from time to time. (Page 22)

Director of Personnel: Among the chief duties of the Director of Personnel (also Chairman of the Civil Service Commission) will be that of "principal staff adviser to the President in connection with problems related to the career or merit civilian service of the Federal government."

"The director should advise the President on ways and means of identifying exceptional talent within the Federal Civil Service in professional, scientific, and executive positions and of making sure that this talent is being utilized in the most effective possible manner...He will be in a position to advise the President as to the steps which need to be taken to put the government where it will be looked upon as one of the most progressive employers in the nation." (Pages 23-25)

Staff Secretary: The proposed new staff secretary to the President fills a lack which the report describes as follows: "At present there is no one place in the President's Office to which the President can look for a current summary of the principal issues with which he may have to deal in the near future; nor is a current summary available on problems that have been assigned to his advisers, his staff agencies, or the heads of departments and agencies." The new secretary would not in himself be an adviser on any issue of policy and should, the Commission believes, be a career public servant. One of his principal duties will be that of keeping the President informed of the work of Cabinet committees, interdepartmental committees, and public advisory committees. (Page 22)

Office of the Budget: Stressing the "vital role" of the Office of the Budget, the Commission observes that "its functions go beyond strictly budgetary matters."

"It is the President's main reliance as an instrumentality for the improvement of management and the attainment of economy and efficiency throughout the executive branch," the report says. "Our purpose is not only to perfect the work of the Office of the Budget in budgetary operations as such, but to strengthen it as the managerial arm of the President." (Pages 25-26)

Council of Economic Advisers: The Commission says:

"The Council is a relatively new agency. It has properly proceeded with considerable caution in developing its role. No one can judge its strength or weakness with confidence at this early stage of its existence. But it seems clear that, at least potentially, it is handicapped by being a multiheaded body, with the requirement that its members be confirmed by the Senate.

"To put a full-time board at the head of a staff agency is to run the risk of inviting public disagreement among its members and of transplanting within the President's Office the disagreements on policy issues that grow up in the executive departments or in the Congress. It also makes cooperation with related staff agencies more difficult.

"The Commission recommends that the Council of Economic Advisers be replaced by an Office of the Economic Adviser and that it have a single head." (Page 17)

National Security Council and National Security Resources Board: In recommending that the National Security Council and the National Security Resources Board be formally placed in the Office of the President, the Commission termed these the "two most conspicuous Cabinet level committees" and observed that both are "located in the same building with the agencies of the President's Office and to all intents and purposes are part of that Office." The report observed in passing that "the National Security Council is unduly weighted in its statutory membership on the side of the military departments." (Page 20)

Budgeting: "The budgetary processes of the government need improvement in order to express the objectives of the government in terms of the work to be done rather than in mere classifications of expenditures." (Page 6)

Accounting: "The accounting needs in the executive branch require standardization and simplification and accounting activities require decentralization if they are to become effective tools of management and if great expense and waste are to be eliminated." (Page 6)

Central Services: "Central administrative services for various operating agencies -- such as purchasing of supplies, maintenance of records, and the operation of public buildings -- are poorly organized or coordinated." (Page 7)

The above three findings were not accompanied by recommendations in this report. They will be treated in greater detail, with recommendations, in subsequent reports. Both these reports, one on "Budgeting and Accounting," and the other on "The Office of General Services," will appear at an early date.

Federal Field Services: "The business of the Federal Government is primarily transacted by field offices. Nearly 90 percent of all Federal employees work outside of Washington. There must be some official in the Government responsible for constant study and simplification and coordination of departmental work in the field. (Page 42)

"The findings of our task forces indicate the direction for reorganization and improvement. Among these findings, there are listed the following deficiencies.

"a. Too many separately organized, highly specialized field offices representing individual departments, their bureaus, and even different units of one bureau.

"b. The ineffectiveness of field offices in dealing with operating problems because headquarters fail to delegate authority.

"c. Confused lines of direction and supervision between specialized headquarters units and the field.

"d. Inadequate systems of reporting and inspection which prevent administrative officials from knowing how effectively and efficiently their field organization is performing.

"e. Lack of coordination of effort among the various Federal field offices, both within the same agency and between different agencies.

"f. Failure to make the most of potential cooperation from State and local governments and private organizations.

"This Commission is not in a position to make individual recommendations regarding the several hundred different field services of Federal departments and agencies. The proper distribution, supervision, and

coordination of these field offices is essentially a problem for the President and the head of each department, with the cooperation of the Congress."

Recommendations: "(1) Administrative regions and regional headquarters should be remapped on a comparable geographic basis. (2) Greater utilization should be made of pooled centralized administrative services. (3) Reporting and inspection practices should be strengthened. (4) Field relationships with State and local officials should be standardized. (5) The responsibility now vested in the Public Buildings Administration for providing certain types of space necessary to meet the field requirements of Federal agencies should be expanded. (6) Manuals of instructions now in use should be revised and simplified and their self-defeating degree of detail eliminated."

Commissioners

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Professor and Chairman of the
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HOOVER COMMITTEE REPORT

June 4, 1948.

Question 1. A.

This report covers the activities of the Central Supply Division, Office of Plant and Operations, Department of Agriculture, Washington 25, D. C.

Question 1. B. (1).

Purchasing function is performed for 1801 people.

Question 1. B. (2).

Warehouse or storage function is performed for 12,422 people. Of this figure, 10,609 are located in Washington, D. C. and Beltsville, Maryland. The balance, 1,813, is an estimate of the field employees served.

Question 1. B. (3).

Inspection of materials is carried on only for the materials to be placed in stock in the Central Supply Division.. Therefore, the total number of people served would be 32, the number of employees in the Central Supply Division.

Question 1. B. (4)

Property utilization work is not a function of the Central Supply Division.

Question 2.

The figures given herein are based on an actual survey and listing of purchase orders for the period of July, 1947 through May, 1948. This was then projected forward to June 30, 1948.

3,158 transactions for object classification 08. Value: $632,401.73.

309 transactions for object classification 09. Value: $102,997.42.

Question 3.

The sampling process was used to develope the figures presented herewith. An actual tabulation of purchase orders issued in May, 1948 was made and multiplied by twelve.

(1) $10.00 or less - 1,176 orders valued at $6,010.32.
(2) $10.01 to $100.00 - 2,340 orders valued at $94,083.84.
(3) $100.01 to $300.00 - 696 orders valued at $123,675.00.
(4) Over $300.00 - 804 orders valued at $1,156,525.80.

continued on page 2.

[illegible]

June 4, 1948.

Question 1. A.

This report covers the activities of the Central Supply Division, Office of Plant and Operations, Department of Physicians, Buildings 28, 2, 4.

Question 1. B. (1).

Purchasing function is performed for 1801 people.

Question 1. B. (2).

Furniture or storage function is performed for 14,000 people. Of this figure, 11,000 are located in Washington, D. C. and Baltimore, Maryland. The balance, 1,000, is an estimate of the field employees serving.

Question 1. B. (3).

Inspection of materials is carried on only for the materials to be placed in stock in the Central Supply Division. Therefore, the total number of people served would be 25, the number of employees in the Central Supply Division.

Question 1. B. (4)

Property utilization work is not a function of the Central Supply Division

Question 2.

The figures given herein are based on an actual survey and listing of purchase orders for the period of July, 1947 through May, 1948. This was the projected forward to June 30, 1948.

3,120 transactions for object classification 02. Value: $[illegible].

[illegible] transactions for object classification 03. Value: $[illegible].

Question 3.

The sampling process was used to derive the figures presented herein. An actual tabulation of purchase orders issued in July, 1948 was made and multiplied by twelve.

(1) [illegible] or less - 1,[illegible] orders valued at $[illegible].
(2) [illegible] to $[illegible] - 2,342 orders valued at $[illegible].
(3) $[illegible] to $[illegible] - [illegible] orders valued at $[illegible].
(4) over $[illegible] - 304 orders valued at $[illegible].

continued on page 2.

It is thought that the particular sampling period selected has inflated both the number of purchase orders written and the total dollar value of the year's purchases. In the Budget Bureau report submitted at this time, we have estmated the year's purchases as $684,225.57, with 4,213 purchase orders being written. That estimate is thought to be more accurate than the projected year's figures given herein above.

Question 3. B.

(1) In the open market:

$10.00 or less: 576 purchase orders with a value of $3,126.48.
$10.01 to $100.00: 1,188 purchase orders with a value of $50,569.32.
$100.01 to $300.00: None.
Over $300.00: 12 purchase orders with a value of $18,144.00.

(2) Against awarded contracts, other than the FederalySupply Schedule;

$10.00 or less: 12 purchase orders with a value of $120.00.
$10.01 to $100.00: 72 purchase orders with a value of $4,942.20.
$100.01 to $300.00: 192 purchase orders with a value of $33,814.20.
Over $300.00: 156 purchase orders with a value of $205,424.88.

(3)With FSS vendors, BFS, GPO and other governmental groups;

$10.00 or less: 588 purchase orders with a value of $2,763.84.
$10.01 to $100.00: 1,080 purchase orders with a value of $38,572.32.
$100.01 to $300.00: 504 purchase orders with a value of $89,860.80.
Over $300.00: 636 purchase orders with a value of $932,956.92.

Here again, the same distortion is present as was discussed in Part 3A, above. A sampling covering the same period of May, 1948 was used.

Question 3. C.

By following the formula of using the month of May, 1948 as a sampling period, the answer to this question would be 672 orders placed for field delivery with a total value of $342,150.96. The figure of 672 is felt to be fairly accurate. However, due to the presence of an unusually large order issued in May, 1948, the figure of $342,150.96 is very much inflated. A far more reasonable figure for the value of field purchases would be $160,650.96. This is derived as follows:

May, 1948 field purchases		$28,512.58
Less 1 unusually large order		16,500.00
Net May field purchases		$12,012.58
Multiplied by twelve		12
	Product	$144,150.96
Add 1 unusually large order		16,500.00
Adjusted figure		$160,650.96

continued on page 3.

It is hoped that the qualitative accounting period only covers the initial bulk the number of production orders written and the total dollar value of the year's production. In the Budget Bureau report published at this time we have recorded the year's production as $[illegible], with 5,[illegible] production orders being written. This estimate is thought to be more accurate than the calculated year's figures given herein above.

Question 3. b.

(i) In the year ending:

[illegible] of Less: [illegible] production orders with a value of $[illegible].
[illegible] to $100,000: 1,[illegible] production orders with a value of $[illegible].
$100.01 to $500,000: None.
Over $500,000: 24 production orders with a value of $[illegible].

(ii) Applied awarded contracts, other than the Federal Supply Schedule:

[illegible] of Less: 31 production orders with a value of $[illegible].
[illegible] to $100,000: 72 production orders with a value of $[illegible].
[illegible] to $500,000: [illegible] production orders with a value of $[illegible].
Over $500,000: 316 production orders with a value of $[illegible].

(iii) Using the products, WT, WO and other governmental stores:

[illegible] or Less: [illegible] production orders with a value of $[illegible].
[illegible] to $100,000: 1,[illegible] production orders with a value of $[illegible].
[illegible] to $500,000: [illegible] production orders with a value of $[illegible].
Over $500,000: [illegible] production orders with a value of $[illegible].

Here again, the same discrepancy is present as was discussed in Part 2), above. A sampling covering the same period of Dec, 1949 was used.

Question 3. c.

By following the formula of using the month of Dec, 1949 as a sampling period, the answer to this question would be [illegible] orders placed for $[illegible] delivery with a total value of $[illegible]. The figure of [illegible] is felt to be fairly accurate. However, due to the presence of an unusually large order issued in Dec, 1949, the figure of $[illegible] is very much inflated. A far more reasonable figure for the value of field purchases would be $[illegible]. This is derived as follows:

Dec, 1949 field purchases	$[illegible]
Less: 1 unusually large order	[illegible]
Per day field purchases	$[illegible]
Multiplied by twelve	12
Produces	$[illegible]
Add 1 unusually large order	[illegible]
Adjusted figure	$[illegible]

Continued on page 3.

Question No. 4

No contracts are awarded by the Central Supply Division. Our authority is limited to making recommendations for awards to the Division of Purchase, Sales and Traffic, Washington, D. C.

Question 5.

The number of bills of lading issued for use by vendors for the fiscal year 1948 is 175. This projected figure is based on the actual figure of 161 for the first eleven months of the fiscal year.

Question 6.

Warehouse and storage facilities of the Central Supply Division are located in Washington, D. C.

A. 37,416 square feet of space are assigned to supply warehousing operations.

B. 18,046 square feet of space are assigned to printed-form warehousing operations.

C. All space is government owned.

D. The value of the inventory as of June 30, 1947 was $180.304.00.

Question 7.

In terms of man-years, the handling of printed forms represents 27.3% of the total work load.
In terms of salaries, the handling of printed forms represents 26.4% of the total work load.

Question 8.

Dollar value and number of storage and issue transactions (filled requisitions) for the fiscal year 1948:

A. From Washington storage to Departmental (Washington) use: 19,320 requisitions and value of $588,882.84. This includes Beltsville, Maryland.

B. From Washington storage to field storage: 144 requisitions valued at $6,492.24.

C. Washington storage to field use: 4,992 requisitions valued at $80,624.88.

D. From field storage to point of use: No information is available in this Division on such transactions.

continued on page 4.

Question 3, a

The questions are asked by the Central Supply Division. The authority is limited to making recommendations for awards to the Services of Supplies, Sales and Traffic, Washington, D. C.

Question 5.

The number of bills of lading issued for use by vendors for the fiscal year 1942 is 1[illegible]. This projected figure is based on the actual figure of 1[illegible] the first eleven months of the fiscal year.

Question 6.

Warehouse and storage facilities of the Central Supply Division are located in Washington, D. C.

A. 37,[illegible] square feet of space are assigned to supply warehousing operations.

B. 1[illegible],[illegible] square feet of space are assigned to product-type warehousing operations.

C. All space is government owned.

D. The value of the inventory as of June 30, 1947 was $[illegible].

Question 7.

In terms of man-years, the handling of private freight represents 3[illegible] of the total work load.
In terms of salaries, the handling of private freight represents 3[illegible] of the total work load.

Question 8.

Dollar value and number of storage and issue transactions (Initial receipts) for the fiscal year 1948:

A. Open Washington storage to Departmental (Washington) user: 1[illegible],[illegible] requisitions and value of $[illegible]. This includes Naval[illegible] Supplies.

B. Open Washington storage to field activity: [illegible] requisitions valued at $[illegible].

C. Maintenance storage to field user: [illegible],[illegible] requisitions valued at $[illegible].

D. Open field storage to point of use: [illegible] transactions is unknown in [illegible] as such transactions.

continued on page 4.

Question 8 - continued.

Note: As the sampling period selected, April 15, 1948 through May 14, 1948 was a period of greater than average activity, the figure for this year's total has been inflated to a considerable extent. According to the figures given above, activity for the year would total 24,456 requisitions valued at $675,999.96. In the report being submitted at this time to the Budget Bureau, the year's activity has been estimated as 20,378 transactions valued at $473,586.00. The Budget Bureau estimate is thought to be a lot more accurate.

Question 9.

We rent a half-ton pick-up truck for delivery purposes on two afternoons each week.

Question 10.

Based on 4,282 receiving reports issued as of May 31, 1948, the total for the fiscal year 1948 should be 4,671.

Question 11.

Based on 1,452 bills of lading issued as of May 31, 1948, the total for the fiscal year 1948 issued to cover stock shipments would be 1,584.

Question 12.

No Central Supply Division personnel are engaged in property utilization and disposal work.

Question 13.

No transfers nor disposals of property are carried on by employees of Central Supply Division.

Question 14.

This Division does not declare property to the War Assets Administration. Any surplus property is handed over to the Property and Supply Officer of the Office of Plant and Operations.

Question 15.

A. Based on an actual survey of bills of lading issued up to May 31, 1948, the total for the fiscal year 1948 would be 1,584.

B. A total of 6,695 shipments were made by parcel post. However, this includes printed forms as well as supplies. It is believed that 60% of the shipments were for forms and 40% were for supplies. Forty percent of 6,695 is 2,678 supply shipments.

continued on page 5.

Question 8 - Continued.

Prior to the existing period ended, April 15, 1951 through May 14, 1951 was a period of greater than average activity. The figure for February total has been inflated to a considerable extent. According to the figures given above, multiply the year would total 34,[illegible] requisitions as 207,[illegible]. In the year's ending mentioned at this time in Dodge County. The year's activity has been within the 30,[illegible] Auditor values at [illegible]. The Dodge County estimate is thought to be a lot more accurate.

Question 9.

We read a half-ton pick-up truck for military purposes on the airstrip each week.

Question 10.

Based on 4,[illegible] remaining repairs issued as of May 31, 1948, the total for the fiscal year 1948 should be 4,871.

Question 11.

Based on 1,[illegible] bills of lading issued as of May 31, 1948, the total for the fiscal year 1948 appears to cover stock adjustments would be 1,[illegible].

Question 12.

No Central Supply Division personnel are employed in property utilization disposal work.

Question 13.

No transfers nor disposals of property are carried on by employees of Central Supply Division.

Question 14.

This Division has not declared property to the War Assets Administration. Any surplus property is limited over to the Property and Supply Officer of the Office of Plans and Operations.

Question 15.

1. Based on an annual survey of bills of lading issued up to May 31, 1948, the total for the fiscal year 1948 would be 1,[illegible].

2. A total of 2,[illegible] adjustments were made by general part. However, this is misleading inflated forms as well as supplies. It is believed that 40% of the adjustments were for forms and 40% were for supplies. Short pressure of 2,800 to 3,[illegible] supply adjustments.

Continued on page 9.

Question 15. B. - continued.

This Division also made 4,066 shipments of small printed form and supply requisitions by first class mail. Here again a majority (60%) is estimated to have been printed forms shipments. 60% of 4,066 would be 2,439 form shipments. 40% of 4,066 would be 1,627 supply requisitions sent by mail.

C. A total of 676 requisitions was delivered by agency truck.

P. J. Doyle, Chief,
Central Supply Division.

UNITED STATES DEPARTMENT OF AGRICULTURE
Office of Budget and Finance
Washington, D. C.

April 30, 1948

REQUEST BY THE COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT FOR DATA ON PROCUREMENT

There is attached a request for data (in addition to that requested by the Bureau of the Budget) which is required by the Commission on Organization of the Executive Branch of the Government (hereafter referred to as the Hoover Commission). This attachment replaces the preliminary draft which you received along with Bureau of the Budget Bulletin No. 1947-48: 18 of April 22, 1948. Since the data requested of this Department by the Hoover Commission overlaps considerably with that requested by the Bureau of the Budget, it is necessary that completed data on both requests be furnished Mr. James Scammahorn by June 7, 1948, in order that a consolidated report may be submitted to the Hoover Commission by the Office of Budget and Finance by June 10, 1948.

Much of the data requested in the Bureau of the Budget Bulletin mentioned above will be used by the Hoover Commission. The two requests are so closely related that certain formulae and patterns established by the Bureau of the Budget in its bulletin will have to be followed in compiling the data requested by the Hoover Commission if there is to be proper correlation and uniformity.

For these reasons, patterns, formulae and definitions established for use in complying with the Bureau of the Budget request will be used in complying with the Hoover Commission request (except where the attached Hoover Commission request specifies otherwise). For example:

1. The formula given on page 6, paragraph b, of the Bureau of the Budget Bulletin for apportioning employee time will be used in compiling data for the Hoover Commission report. Work load data required by Exhibit 3 of the Budget Bureau Bulletin and by the attached Hoover Commission request will be reported regardless of whether employee time does or does not come within the 50% formula. That is to say, the total number of transactions are to be reported without deduction of those handled by employees whose time for "common services" (as defined in the Bulletin) does not total 50%. (This reverses the decision made at the meeting on Tuesday, April 27, on Property and Stores Activities.) In view of the uses to be made of these reports by the Budget Bureau and the Hoover Commission, it is very important that the reports submitted to the Office of Budget and Finance be adequately supported by statements which may be necessary to point up any instances wherein the data furnished does not, because of the formula requirements, give a true picture of the actual situation.

2. Provision is made in the attachment, in some instances, for a "sampling process." In this sampling process, the period used will be as agreed upon for the Budget Bureau report, i.e., May 3 through May 28. In projecting figures obtained through this sampling process into fiscal year figures,

an attempt should be made to make the projection as realistic as possible. (It should be understood that substitution of "actual fiscal year figures" (using the formula prescribed in the Budget Bureau Bulletin) for those obtained through the sampling process is desirable whenever it is possible to furnish them. In instances where the sampling process is used, the report should so indicate.)

Any questions on the attachment may be directed to Miss Harrington, Division of Procurement and Supply Management, telephone extension 5154.

James L. Dannaher

Attachment

General

1. a. Give city and state in which each organization unit performing any of the following property activities is located.

   b. How many people (average paid employment) are currently served by each unit?

      (1) Purchasing function. (For definition, see Budget Bureau Bulletin No. 1947-48: 18, page 11, "Procurement")

      (2) Warehouse or storage function. (Includes primary warehouse - concerned with large or wholesale issues to secondary or subwarehouse or point of use; and secondary warehouse - concerned with smaller issues to point of use; but does not include cupboard or working stock.) (For definition, see Budget Bureau Bulletin No. 1947-48: 18, page 11, "Storage and Issue")

      (3) Inspection. (Includes quantitative at point of receipt and/or qualitative at vendor's plant or point of receipt.)

      (4) Property utilization. (Includes property records, transfers, trade-ins, disposal and repair facilities.) (For definition see Budget Bureau Bulletin No. 1947-48: 18, page 11, "Property Utilization and Disposal Function.")

Purchasing Function

2. Show total expenditures and number of transactions for object classes 08 and 09 (separately) during the fiscal year 1948.

3. By sampling process, for the fiscal year 1948, furnish

   a. Number of purchase orders (or similar obligation documents) issued and their total dollar volume in each of the following price classes:

      (1) $10 or less
      (2) $10.01 to $100
      (3) $100.01 to $300
      (4) over $300

   b. Number of purchase orders placed and their total dollar volume in each of the above price classes:

      (1) in the open market?
      (2) against awarded contracts (other than Federal Supply Schedule)?
      (3) with FSS vendors, BFS, GPO and other governmental groups?

c. For each purchasing unit operated in Washington, furnish number of purchase orders and total dollar volume placed for field service.

4. By sampling process, give number of contracts awarded during the fiscal year 1948, for:

a. Commodities
b. Services other than personal

5. By sampling process, give for fiscal year 1948, the number of bills of lading issued for use by vendors.

Warehouse or Storage Function

6. List the city and state in which each stockroom or warehouse facility is located, giving the following data for each such location:

a. Sq. ft. of space assigned to warehouse operations.

b. Sq. ft. of space (exclusive of cupboard or working stock space) used for storage of printed or duplicated forms.

c. Is facility leased or Government owned? If leased, what is annual rental?

d. Total dollar value of inventories (exclusive of forms).

(If a physical inventory has been taken within the last year, the date and value of inventory at that time will suffice.)

7. What percentage of the total work load is represented by the handling of printed and duplicated forms?

8. By sampling process, furnish the dollar value and number of storage and issue transactions (filled requisitions), for the fiscal year 1948:

a. From Washington storage to departmental (Washington) use.
b. From Washington storage to field storage.
c. From Washington storage to field use.
d. From field storage to point of use.

9. How many and what type of delivery vehicles are maintained and operated?

10. By sampling process, furnish total number of receiving reports prepared during the fiscal year 1948.

11. By sampling process, give the number of bills of lading issued during the fiscal year 1948, for shipments of stock from Washington storage facility.

Property Utilization and Disposal

12. Exclusive of repair and maintenance operations (shops), what is the average paid employment and total salary obligation of personnel engaged in property utilization and disposal work for the fiscal year 1948?

13. By sampling process, for the fiscal year 1948, furnish number (of transactions not pieces of property) and dollar value of:

    a. Intra-bureau transfers.
    b. Inter-bureau transfers.
    c. Disposal transactions (i.e., sale, gift, destruction, abandonment, declaration to and disposal thru WAA).

14. List dollar value of property on hand which is

    a. already declared to WAA
    b. contemplated for (or in process of) declaration to WAA.

Shipping

15. What are the number and percentage of outgoing shipments of administrative supplies, materials and equipment for the fiscal year 1948, by

    a. Bill of lading.
    b. Parcel post.
    c. Agency truck.

1948 FISCAL YEAR EXPERIENCE OF CENTRAL SUPPLY DIVISION.

Exhibit 3

Statement of Staff and Workload
For Property Activities

Bureau ~~Plant and Operations~~
Department or Agency ~~Agriculture~~

☐ Bureau
☐ Office of Sec. or Adm.
☐ Dept. or Agency Summary

Column 1	Fiscal Year 1948 Average Paid Employment Column 2a	Fiscal Year 1948 Total Salary (Obligations) Column 2b	Leave Blank Column 3
1. Analysis by Activity:			
a. Procurement	5.9	$16,977.96	
b. Storage and Issue	17.2	40,308.59	
c. Utilization and Disposal			
d. Total	23.1	$57,286.55	
2. Summary Workload Data:			
a. Procurement			
(1) No. of transactions		4,213	
(2) Value of transactions		$684,225.57	
b. Storage and Issue			
(1) No. of transactions		20,378	
(2) Value of transactions		$473,586.00	
(3) Stores inventory value as of ~~6-30~~ 47 Date ☐ S ☐ R		$180,304.00	
3. Detailed Workload Data			
a. Procurement			
(1) No. of transactions per employee	(2a(1) ÷ 1a, Col. 2a)	714	
(2) Average value per transaction	(2a(2) ÷ 2a(1))	$162.30	
(3) Average salary cost per transaction	(1a, Col. 2b ÷ 2a(1))	$4.03	
b. Storage and Issue			
(1) No. transactions per employee	(2b(1) ÷ 1b, Col. 2a)	1,184	
(2) Average value per transaction	(2b(2) ÷ 2b(1))	$23.24	
(3) Average salary cost per transaction	(1b, Col. 2b ÷ 2b(1))	$1.98	
(4) Inventory value per employee	(2b(3) ÷ 1b, Col. 2a)	$10,482.79	
(5) Inventory value per $ of salary cost	(2b(3) ÷ 1b, Col. 2b)	$4.47	
(6) Transaction value per $ of inventory	(2b(2) ÷ 2b(3)	$2.63	

Notes on Exhibit 3

1. Salaries and man-years were based on actual performance up to May 1, 1948 and projected to June 30, 1948.

2. Procurement and Storage and issue transactions were based on the record up until May 1, 1948 and projected to June 30, 1948. In sub-storeroom, form requisitions filled were 14% of the total requisitions filled. Form requisitions were deducted from the total requisitions filled, as directed for Exhibit 3.

Notes on Exhibit 2

1. Batteries and sub-plants were based on actual performance up to May 1, 1943 and projected to June 30, 1943.

2. Freezerwood and Storage and Lemon transmissions were based on the record up until May 1, 1943 and projected to June 30, 1943. In sub-station, form requisitions filled were 14% of the total requisitions filled. Form requisitions were deducted from the total requisitions filled, as directed for Exhibit 3.

1948 FISCAL YEAR EXPERIENCE OF CENTRAL SUPPLY DIVISION.

Exhibit 4

Statement of Stores Inventory and Storage Space in the Washington, D. C. Metropolitan Area and of the Personnel Serviced Therefrom

Bureau Plant and Operations
Department or Agency Agriculture

☐ Bureau
☐ Office of Sec. or Adm.
☐ Dept. or Agency Summary

Col. 1	Col. 2	Col. 3 (Leave Blank)
1. Stores inventory value as of (date) 6-30-47 ☐S ☒R		
a. Value of inventory maintained to supply departmental service.	$153,980.00	
b. Value of inventory maintained to supply field service (SEE NOTE ATTACHED)	26,324.00	
c. Total inventory value (a + b).	$180,304.00	
2. Sq. ft. of storage space used:		
a. Storage space used for inventory shown on Line 1a.	31,953	
b. Storage space used for inventory shown on Line 1b. (SEE NOTE)	5,463	
c. Storage space occupied by stores declared surplus.	--	
d. Total storage space (a+b+c). (Show amount leased _____; Govt.-owned ALL	37,416	
3. Average No. of employees supplied from above stores		
a. Departmental Service (INCLUDING BELTSVILLE)	10,609	
b. Field Service (SEE NOTE ATTACHED)	1,813	
c. Total (a + b)	12,422	
4. Stores inventory per employee		
a. Line 1a ÷ Line 3a	$14.51	
b. Line 1b ÷ Line 3b	$14.52	
c. Line 1c ÷ Line 3c	$14.51	
5. Sq. ft. of storage space per employee		
a. Line 2a ÷ Line 3a	3.01	
b. Line 2b ÷ Line 3b	3.01	
c. Line 2d ÷ Line 3c	3.01	
6. Sq. ft. of storage space per $1,000 of inventory		
a. Line 2a ÷ (Line 1a ÷ 1000) =	207.51	
b. Line 2b ÷ (Line 1b ÷ 1000) =	207.53	
c. Line 2d ÷ (Line 1c ÷ 1000) =	207.52	

Note to Accompany Exhibit 4.

1. Stores are not segregated on the basis of final use in Washington or in the field. Therefore it is impossible to furnish an accurate figure for stores which will eventually be used in the field.

   The figure $26,324.00 is 14.6% of the total store inventory, $180,304.00. The percentage of 14.6 is based on an examination of all requisitions filled in the Central Supply Division during the period July 1, 1946 through December 31, 1946. The examination showed that field requisitions amounted in dollar value to 14.6% of all requisitions filled.

2. The 14.6% formula has been applied in this case. The figure 5,463 sq. ft. is 14.6% of the total space, 37,416 square feet.

3.a. Employees located at Beltsville, Maryland are included in the figure for Departmental service.

   b. Here again the 14.6% formula has been followed. Assuming that the figure 10,609 represents 85.4% of the total employees supplied, it follows that the total number supplied would be 12,422. 14.6% of this would be 1,813 employees.

Note to Accompany Exhibit A.

1. Figures are not segregated on the basis of final use in building or in the field. Therefore it is impossible to furnish an accurate figure for stores which will eventually be used in the field.

The figure $22,594,00 is 14.8% of the total store inventory, $153,304.00. The percentage of 14.6 is based on an examination of all requisitions filled in the Central Supply Division during the period July 1, 1945 through December 31, 1945. The examination showed that field requisitions amounted in dollar value to 14.8% of all requisitions filled.

2. The 14.8% formula has been applied in this case. The figure 1,661 sq. ft. is 14.8% of the total space, 22,512 square feet.

3.a. Employees located at Maintenance, Supplies are included in the figure for Departmental service.

b. Here again the 14.8% formula has been followed. Assuming that the figure 10,800 represents 85.4% of the total employees supplied, it follows that the total number supplied would be 12,650. 14.8% of this would be 1,873 employees.

CENTRAL SUPPLY DIVISION, OFFICE OF PLANT AND OPERATIONS

PREPARED JUNE 7, 1948 BY P. J. DOYLE

Exhibit 5 (Cont'd)

Statement of Staff and Workload for Mail and Messenger Activities (Washington, D. C. Metropolitan Area)	Bureau Plant & Operations Department or Agency Agriculture	☐ Bureau ☐ Office of Sec. or Adm. ☐ Dept. or Agency Summary

Workload Data	Fiscal Year 1948	Leave Blank
Column 1	Column 2	Column 3
2. Summary workload data		
a. Pieces of mail (in thousands)		
(1) Incoming	21.996	
(2) Outgoing	24.388	
b. Pieces of mail per employee (in thousands) (Sum of lines 2a(1) + 2a(2) ÷ line 1a(5))	51.54	
c. Salary obligations per 1000 pieces of mail (obligations on lines 1a(5) ÷ sum of lines 2a(1) + 2a(2))	$ 44.58	
d. Average no. pickup and delivery points per regular messenger	3.7	
e. Average no. of regularly scheduled trips per day per messenger	5.4	
f. Average no. of special messenger trips per special messenger per year	654	
3. Workload data on special handling		
a. Incoming mail		
(1) Value of negotiables received		
(2) Percentage of registered, insured, or negotiable	Approx. 1%	
(3) Percentage of mail controlled		
(4) Other (specify)		
b. Outgoing mail		
(1) Percentage reviewed for completeness		
(2) Percentage reviewed for substance		
(3) Other (specify)		

CENTRAL SUPPLY DIVISION, OFFICE OF PLANT AND OPERATIONS

PREPARED JUNE 7, 1948 BY P. J.DOYLE

Exhibit 5

Statement of Staff and Workload for Mail and Messenger Activities (Washington, D. C. Metropolitan Area)	Bureau Plant & Operations Department or Agency Agriculture	☐ Bureau ☐ Office of Sec. or Adm. ☐ Dept. or Agency Summary

Activity	Fiscal Year 1948		Leave Blank
	Average paid employment	Total salary (Obligations)	
Column 1	Column 2	Column 3	Column 4
Analysis of personnel by activity			
a. Mail activities			
(1) Supervision			
(2) Receipt and dispatch	.9	$ 2.067.91	
(3) Special handling			
(a) Registered, insured and negotiable			
(b) Referral, review and control			
(c) Other (specify)			
(4) Bulk transportation of mail			
(5) Subtotal — mail activities	.9	$ 2,067.91	
b. Messenger activities			
(1) Regular messengers	.2	$ 380.48	
(2) Special messengers			
(3) Assigned messengers			
(4) Subtotal -- messenger activities	.2	$ 380.48	
c. Total — mail & messenger activities	1.1	$ 2,448.39	
d. Number of military personnel included above in			
(1) Mail activities			
(2) Messenger activities			

CENTRAL SUPPLY DIVISION
OFFICE OF PLANT AND OPERATIONS
NOTES TO ACCOMPANY EXHIBIT 5
BUDGET BUREAU REPORT ON MAIL AND MESSENGER ACTIVITIES

. . . . . .

Question 1 (2) ——— Fifty percent of Mrs. E. M. Young's time is spent on receipt and dispatch of mail. Forty percent of Mrs. J. Strother's time is spent on receipt and dispatch of mail. The extremely small percentage of special handling mail has been put under this item. The quoted percentages of time spent on mail and messenger activities were estimated by the employees themselves. They are not guaranteed to be accurate.

Question 1 B (1) —— All regular and special messenger work is done on a part-time basis by one messenger.

Bureau: Plant & Operations
Department or Agency: Agriculture

☐ Bureau
☐ Office of Secy. of Adm.
☐ Dept. or Agency Secretary

Position title	Total salary (thousands)	Leave Blank
(Column 1)	(Column 3)	(Column 4)
	$ [illegible]	
	[illegible]	
	[illegible]	
	$ 280.48	
	$ [illegible]	

Instructions begin on the reverse side of the sheet.

(1) Identify the Agency organization unit to be covered by this form.

(2) Indicate the date for which the information is to be reported.

(3) Indicate the number of employees in each position.

(4) Indicate the total salary (thousands omitted) of the employees in each position.

(5) Indicate the number of employees in each position who are members of the Civil Service Retirement System.

(6) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System.

(7) Indicate the number of employees in each position who are members of the Foreign Service Retirement System.

(8) Indicate the total salary (thousands omitted) of employees in each position who are members of the Foreign Service Retirement System.

(9) Indicate the number of employees in each position who are members of the Social Security System.

(10) Indicate the total salary (thousands omitted) of employees in each position who are members of the Social Security System.

(11) Indicate the number of employees in each position who are members of the Civil Service Retirement System and the Social Security System.

(12) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System and the Social Security System.

(13) Indicate the number of employees in each position who are members of the Foreign Service Retirement System and the Social Security System.

(14) Indicate the total salary (thousands omitted) of employees in each position who are members of the Foreign Service Retirement System and the Social Security System.

(15) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System and the Social Security System.

(16) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System and the Social Security System.

(17) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System and the Railroad Retirement System.

(18) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System and the Railroad Retirement System.

(19) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System and the Veterans Administration Retirement System.

(20) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System and the Veterans Administration Retirement System.

(21) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System and the Foreign Service Retirement System.

(22) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System and the Foreign Service Retirement System.

(23) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System and the Social Security System.

(24) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System and the Social Security System.

(25) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System and the Railroad Retirement System.

(26) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System and the Railroad Retirement System.

(27) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System and the Veterans Administration Retirement System.

(28) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System and the Veterans Administration Retirement System.

(29) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System and the Foreign Service Retirement System.

(30) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System and the Foreign Service Retirement System.

(31) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System and the Social Security System.

(32) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System and the Railroad Retirement System.

(33) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System and the Veterans Administration Retirement System.

(34) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System and the Veterans Administration Retirement System.

(35) Indicate the number of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System and the Foreign Service Retirement System.

(36) Indicate the total salary (thousands omitted) of employees in each position who are members of the Civil Service Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System, the Foreign Service Retirement System, the Social Security System, the Railroad Retirement System, the Veterans Administration Retirement System and the Foreign Service Retirement System.

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Mr. Truman

Draft
5-5-45

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington, D. C.

May _____ CIRCULAR NO. A-_____

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Uniform definitions for use in preparation of reports on certain common agency services

1. Purpose. This Circular provides uniform definitions for certain common services of Federal agencies in the Continental United States; prescribes the basis upon which the time of personnel providing such services will be recorded for reporting purposes; and prescribes the workload items which will be recorded as evidence of production in some of the services.

The recording of data covering these common services in accordance with the provisions of this Circular will enable agencies to supply uniform and comparable reports about the services. Such reports will provide the Bureau of the Budget with some of the information necessary to develop and refine standards or guides for the review of agency budget estimates for such services; will facilitate the preparation and review of budget estimates for the services; and will provide agency officials with information useful to them in improving agency management and budget administration.

2. Definitions. As used in this Circular:

a. Summary. The term "common services" includes the following functions: (1) personnel, (2) fiscal, (3) property management, (4) budget, (5) organization and methods (management engineering), (6) public relations and publicity, (7) printing and duplicating, and (8) mail and messenger services.

b. Guides for Including or Excluding Work From Coverage. With the exception of public relations and publicity, each type of work listed above is a major program responsibility of one or more agencies, either for providing a Government-wide service or a service to the public. Such program work is not covered by this Circular; only the work performed as an internal agency service is covered. This general rule should be the guide in deciding whether a given type of work is to be included or excluded from coverage. Following is a list of specific exclusions and illustrations of how the rule should be applied.

(1) Personnel. Exclude work of the Civil Service Commission performed for the Government as a whole.

(2) Fiscal. Exclude those accounting and auditing activities performed for the Government as a whole by the Treasury Department [General Accounting Office,] and Retirement Division of the Civil Service Commission.

(3) Property management. Exclude: (1) work of the Bureau of Federal Supply for the Government as a whole; (2) work incident to the purchase of commodities for disposal, or price support, or strategic stockpiling, or foreign relief or rehabilitation, or the construction of public works; (3) property care, handling, and disposal under the Surplus Property Act of 1944, as amended, by the War Assets Administration and other designated disposal agencies; (4) work incident to the procurement, management or disposal of real property; (5) work incident to the procurement, management or disposal of property incident to ship construction or operation, or manufacturing processes; (6) work incident to the procurement, management, or disposal of military supplies and equipment.

(4) Budget. Exclude work of the Bureau of the Budget incident to the preparation and administration of the Annual Budget.

(5) Organization and Methods. Exclude work of the Bureau of the Budget incident to studies and reports on the organization, activities and methods of the departments and establishments.

(6) Public Relations and Publicity. Exclude work on publications required by law (e.g., annual reports, farmers' bulletins, internal revenue decisions, and other publications of that type) or those primarily for use within the Government; the answering of correspondence from the public; and the issuance of interpretations on regulations, orders issued under the Administrative Procedure Act, etc.

(7) Printing and Duplicating. Exclude [(1) work done by the Government Printing Office, and (2)] work done in installations engaged solely in the production of photographs, photostats, blueprints, ozalids vandykes, and brown-line or black-line prints (such as a blueprint shop servicing an engineering design unit).

(8) Mail and Messenger. Exclude work of the Post Office Department and Postal Service.

c. Personnel Services. Personnel services include regularly assigned duties relating to: (1) direction and administration of an agency's personnel program; (2) employment, placement and separation (including processing of personnel actions); (3) job evaluation and classification of positions; (4) employee relations and services (including award and appeal systems); (5) health services; (6) training; (7) committees of expert examiners and local boards; (8) wage records; (9) any other activity considered to be a part of personnel administration.

(Exclude: pay roll operations, time and leave reporting and recording, and the maintenance of retirement records.)

[Definition developed from definition in draft of Circular prepared by Wilber.]

d. Fiscal Services. Fiscal services include all accounting (except property accounting), auditing, financial reporting and other related work except disbursing activities; however, this analysis is concerned only with the following two categories of fiscal services;

(1) Pay roll, leave and retirement. This activity refers to civilian pay, leave and retirement and includes such work as preparation and verification of change slips; maintenance of payroll control registers; maintenance and balancing of pay cards; verification and certification of pay rolls; maintenance of leave records if centralized or leave advisors' functions if decentralized; ordering of bonds and bond distribution; preparation and distribution of Internal Revenue forms W-2 (Tax withholding); maintenance of retirement records, and other related pay roll, leave and retirement work.

(2) Administrative Examination of vouchers. This activity includes the work of administratively examining (prior to certification) and certifying expenditure vouchers covering object classes 02 through 09 (excluding payments from special deposits and vouchers covering payments for price support, relief, and strategic stockpiling), examination of administrative expense claims and preparation of replies to GAO exceptions.

[Definitions taken from Bulletin 1947-48:18]

e. Property Management Services. Property management services include all work incident to the functions of (1) procurement, (2) storage and issue, and (3) utilization and disposal of: supplies, materials, equipment and services other than personal, except that printed or duplicated materials are specifically excluded. The tasks listed below define in general the three major activities:

(1) Procurement. This activity includes: (a) maintaining and using data on, or records of, sources of supply, commodity specifications, prices, market trends, procurement transactions, etc.; (b) maintaining and using manuals of operating instructions, and pertinent laws, rules and regulations; (c) receiving and processing requisitions; (d) soliciting and analyzing bids or otherwise selecting suppliers; (e) negotiating and finally arranging terms for purchases, specifications, shipments, deliveries and rejections, and preparing obligation documents; and (f) following up to ensure performances on orders and shipments.

(2) Storage and Issue. This activity includes (a) receiving, inspecting, storing, recording or rejecting deliveries and reporting thereon; (b) maintaining and operating storage areas, and safeguarding stores; (c) pricing and filling stores requisitions, and recording stock issues; (d) packing issues from stock, and arranging for delivery or shipment; (e) maintaining and operating delivery vehicles; and (f) controlling stock levels by maintaining records of receipt and use, taking physical inventories, and preparing replenishment requisitions.

(3) Property Utilization or Disposal. This activity includes: (a) determining extent of utilization, availability for transfer to other use, or surpluses to agency needs; (b) arranging for transfer to other use in the agency for disposal by declaration of surplus, sale, gift, destruction, or abandonment; (c) preparing the necessary documents and packing and moving the property being transferred or otherwise being disposed; (d) repairing and maintaining property; and (e) maintaining property accountability records and records of utilization and disposal transactions.

[Definitions taken from bulletin 1947-48:18]

f. Budget Services. Budget services include generally those activities having to do with the formulation of estimates and control of appropriations of an agency or any subdivision or unit thereof performed for the responsible head of such agency, subdivision, or unit by a staff unit or staff assistant. In determining what work falls within this definition the following examples should be used as a guide, with the understanding that the list is intended to give examples of the types of work to be included and excluded rather than to be a comprehensive list of budget functions.

(1) Formulation of estimates should include such work as:

(a) planning and developing budget policies and procedures; (b) preparing instructions and forms for the submission of budget requests; (c) reviewing and analyzing budget requests and supporting justifications; (d) preparation and review of estimates of receipts and expenditures; (e) preparing budget materials such as green sheets and accompanying schedules, appropriation language, and supporting justifications; (f) legislative clearance and reporting, including reports on proposed legislation, enrolled bills, and executive orders, analysis of Congressional proceedings,

etc., in the light of program and financial plans; (g) conferring with operating personnel and responsible officials on the above and related matters.

(2) Control of appropriations should include such work as:

(a) planning and reviewing the apportionment and allotment of appropriations and issuing advices thereon; (b) analyzing reports on obligations, expenditures, receipts, workload, unit costs, and personnel in relation to approved work programs and availability of funds; (c) preparing budgetary reports and personnel ceiling requests and allotting ceilings to constituent units; (d) conferring with operating personnel and responsible officials on the above and related matters.

(Exclude: Such work as work of the personnel and accounting offices having to do with the preparation of data for use in budget materials; maintaining allotment and other official fiscal accounts, position controls, etc.; preparing financial accounting and personnel reports and conducting management improvement studies not directly related to the formulation of estimates and the control of appropriations.)

[Definition taken from bulletin 1945-46:20]

g. Organization and Methods Services. Organization and methods (management engineering) services include the activities of staff personnel concerned with the development and evaluation of new or improved organization, procedures and methods for the management and control of operations. These activities may be performed by specialized personnel or occupy part of the time of staff members having other responsibilities. Ordinarily, the reports on this service will reflect assigned responsibilities existing when an agency has a definite program of administrative management supplementing the administrative and supervisory work of operating officials. Typical functions include developing and recommending: (1) changes in organization; (2) improved methods and procedures; (3) simplified operations; (4) simplified and standardized forms; (5) administrative reporting systems and standardized reporting procedures; (6) methods for work planning and work scheduling, and systems for work measurement; (7) procedural manuals and administrative orders.

[Definition is taken from the draft Circular prepared by Wilber, with slight modifications.]

h. Public Relations and Publicity Services. Public relations and publicity services include preparation of material for newspapers, periodicals, and other non-Federal publications; distributing press releases and interviewing representatives of the press; preparation of material for broadcasting purposes and contacts with broadcasting representatives; preparation of advertisements (whether paid or free) except advertising relating to the acquisition or disposal of Government property; preparation, installation, and circulation of exhibits; production of motion pictures and film strips except those for internal use in the Government; and preparation of publications neither required by law nor issued primarily for internal use in the Government.

[Definition taken from bulletin 1947-48:14.]

i. Printing and Duplicating Services. Printing and duplicating services include composing and copy preparation (on stencil or other masters), offset plate making and other photographic processes, duplicating machine or printing operations, and bindery operations, in connection with the preparation of multiple copies of documents. Duplicating machines include those used in stencil duplicating (as by Mimeograph), gelatin or spirit hectographing (as by Ditto), office offset-printing (as by Multilith), office-rotary printing (as by Multigraph), and photo-copying (as by Photostat and Ozalid). Printing includes the traditional letter-press, intaglio, gravure, and lithographic processes, including offset lithography, or planographic printing.

(Exclude: (1) work done in a unit operating addressing or mailing equipment separate and apart from a duplicating or printing plant or unit; and (2) work done on isolated stencil duplicating or gelatin or spirit hectographing machines by clerical personnel as an incidental part of other duties.)

[New definition developed from definitions in bulletin 1946-47:11 and draft of Management Bulletin "Guide for Appraisal of Agency Reproduction Activity".]

j. Mail and Messenger Services. Mail and messenger services include:

(1) Mail activities, which refer to all service operations, other than messenger services, concerned with the receipt, distribution, and dispatch of mail, including intra- and inter-agency mail not requiring postage. Mail activities will be subdivided into the following categories:

(a) Supervision. This category includes the immediate supervision of mail activities.

(b) Receipt and dispatch. This category includes the receiving, sorting of addressed mail, opening, date stamping, removing from envelopes, stuffing, sealing, racking, and other operations not requiring special handling of mail received or dispatched.

(c) Special handling. This category includes operations required in addition to those for the normal receipt and dispatch of mail. Operations include (1) special handling of registered or insured mail, special delivery, and mail with negotiable remittances, and (3) reading of mail for proper referral; review of outgoing mail for content, grammar, conformance with policy; controlling the whereabouts of mail, following up on replies, and other control activities.

(d) Bulk transportation of mail. This category includes transportation of agency mail in bulk by agency employees between the post office and agency mailrooms or between agency buildings.

(2) Messenger activities, which refer to the transportation of papers, documents, or similar material between agency organizational units, and include the duties of messengers assigned to other organizational units for special purposes such as the running of errands. Messenger activities will be subdivided into these categories:

(a) Regular messengers. This category includes the transportation of papers on regularly scheduled routes and the immediate supervision of messenger services if not included in (1)(a) above.

(b) Special messengers. This category includes the transportation of papers outside of normal schedules and customary delivery points.

(c) Assigned messengers. This category includes messengers assigned to organizational units other than the mail or messenger unit(s) for the purpose of delivering messages or running errands.

[Definitions from bulletin 1947-48:18]

1. Basis of Recording Time Devoted to Common Services

a. Employment data will be recorded for personnel whose principal duties are the provision of one or more "common services" as defined in Section 2 of this Circular. Accordingly, only the time of those employees who devote at least 50% of their time to "common services" will be included for reporting purposes. When reports are requested covering the time of such employees, their time will be apportioned among the various common services in tenths of a man year.

Employment costs will be distributed among the activities in the same manner as is the time of employees. Total salary of civilian employees will be recorded, including, in addition to basic compensation, any type of payments above basic rates (such as overtime, night work differential, and pay in excess of 52 weeks). In the case of military personnel, only pay will be recorded for reporting purposes; rental and subsistence allowances will not be included.

b. The time and cost of employees will be recorded on a functional basis, which may or may not correspond to organizational structure. (For example, the time of employees engaged in pay roll, leave and retirement work will be recorded under fiscal work, not personnel work). Care should be exercised to record time according to the functional definitions contained in this Circular regardless of the organizational units in which work is performed.

c. The time and cost of employees will be recorded in such a way as to make possible reports broken down as follows:

(1) It should be possible to apportion the time and cost of employees engaged in personnel services among the nine activities defined in 2c., above.

(2) It should be possible to apportion the time and cost of employees engaged in fiscal services between the two activities defined in 2d.(1) and 2d.(2), above.

(3) It should be possible to apportion the time and cost of employees engaged in property management services among the three activities defined in 2e., above.

(4) No activity breakdown below the service level will be required for employees engaged in budget, organization and methods, public relations and publicity, and printing and duplicating services.

[Do we want to get an apportionment of time between formulation of estimates and control of appropriations?]

(5) For mail and messenger services, it should be possible to (a) apportion the time and cost of employees engaged in mail activities among the four categories defined in 2j.(1), above, and (b) apportion the time and cost of employees engaged in messenger activities among the three categories defined in 2j.(2), above.

[Pfleger: Will we want all this detail?]

4. Workload Items to be Recorded

a. Personnel -- Each personnel service will maintain the minimum records necessary to furnish, when requested, its actual work experience, for periods of time of not less than one month, in terms of the following units:

(1) Number of persons employed in the agency or other unit served by the personnel service, subdivided as follows:

(a) Full time

(i) Highest at end of any month

(ii) Lowest at end of any month

(iii) Average during the reporting period

(b) Part time and intermittent

(i) Highest at end of any month

(ii) Lowest at end of any month

(iii) Average during the reporting period

(c) Total average ((a)(iii) plus (b)(iii))

NOTE: These figures may be obtained from the Civil Service Commission Form 3257 report, total paid employment, or from the records maintained in order to prepare that report.

(2) Number of personnel actions completed during the period, subdivided as follows:

(a) Accessions
(b) Promotions and demotions
(c) Periodic pay increases
(d) Separations
(e) All other (status changes, name changes, suspensions, etc.)
(f) Total

NOTE: These are personnel actions classified according to standard terminology. Detailed definitions may be found in Chapter R-1 of the Federal Personnel Manual. Periodic totals may be obtained by a count of the SF-50's (Notification of Personnel Action) in the chronological journal file.

(3) Position classification and job evaluation data.

(a) Number of different job descriptions for positions filled at the end of any month specified in the request for the report. (As used in this circular, "job description" and "position description" are synonymous). If there are job descriptions which are additional and identical to a master job description, only the master job description should be counted.

(b) The total number of employees covered by "standard" or "multiple job" descriptions at the end of any month specified in the request for the report. (For example, if a job description for clerk-stenographer, CAF-4, covers 22 stenographers, and a job description for accounting clerk covers 35 employees, the number of employees shown as covered by standard job descriptions will be 57).

(c) The number of different "standard" or "multiple job" descriptions at the end of any month specified in the request for the report.

(d) The total number of positions studied for allocation or reallocation during the reporting period. This figure will include new positions studied for allocation and old positions studied for reallocation. If positions additional and identical to master positions are studied, only the master positions will be counted.

(e) The total number of positions reviewed during the reporting period to determine conformance with duties shown on job descriptions. Positions reported under (3)(d), above, will be excluded. This item should reflect the usual regulatory activity of surveying or reviewing individual positions to insure that job descriptions correctly reflect the duties. It is work done in addition to the allocation or reallocation of positions.

(f) The total of (3)(d) plus (3)(e).

(g) Of the total (3)(f):

(i) The number desk audited

(ii) The number audited by other means

b. Fiscal -- Each fiscal service will maintain the minimum records necessary to furnish, when requested, its actual work experience for periods of time of not less than one month, in terms of the following units:

(1) The average number of full time employees paid during the reporting period.

(2) The average number of part-time and intermittent employees paid during the reporting period.

(3) The total average number of employees paid (b. (1) plus b. (2)) during the reporting period.

NOTE: Monthly figures for computing the averages called for by b.(1) and b.(2), above, may be obtained from line 1, Column D, of the applicable forms 3257, Monthly Report of Federal Civilian Employment, or from the pay roll records used to prepare that report.

(4) The average number of changes in pay per pay period during the reporting period for full time employees because of promotion, demotion, reclassification, within-grade promotion, change in bond deductions or other actions affecting pay.

(5) The average number of changes per pay period during the reporting period for part-time and intermittent employees because of promotion, demotion, reclassification, within-grade promotion, changes in bond deductions or other actions affecting pay.

NOTE: The information called for by b.(4) and b(5), above, may be secured periodically by an analysis of payroll control registers, earning cards or pay rolls.

(6) The average number of employees having retirement deductions taken from their pay during the reporting period.

(7) The number of travel vouchers (object class 02) examined prior to certification during the reporting period.

(8) The number of other vouchers (objects 03-09) examined prior to certification during the reporting period. (Vouchers covering payments from special deposits, payments for price support purchases, relief purchases, and purchases for strategic stockpiling should be excluded.)

[OTHER???]

c. Property Management -- Each property service will maintain the minimum records necessary to furnish, when requested, its actual work experience for periods of time of not less than one month, in terms of the following units:

(1) The total number of procurement transactions during the reporting period. By procurement transaction is meant a purchase order or other document creating an obligation against the Government for the purpose of obtaining goods or services other than personal, including orders placed against War Assets Administration, Bureau of Federal Supply, Government Printing Office, and Federal Prison Industries, Inc. (when chargeable to object classes 08 and 09), but excluding intra- and other inter-agency requisitions and work orders.

(2) The total value of procurement transactions during the reporting period. By value is meant the actual costs of the item or items involved in a transaction. Thus, value might include costs that are chargeable to object class 03 as well as costs chargeable to object class 08 or 09.

(3) The total number of storage and issue transactions during the reporting period. By storage and issue transaction is meant a filled requisition or order for supplies, materials or equipment; it does not refer to incoming shipments or unfilled back orders.

(4) The total value of storage and issue transactions during the reporting period. (See c.(2) for definition of value).

(5) The stores inventory value as of a date within 12 months of the date of the report. By inventory is meant an actual physical inventory of supplies, materials and equipment in stockrooms and warehouses; inventory does not include goods in use or in "cupboard" or "shop" stocks. ("Cupboard" and "shop" stocks are expendable supplies and materials maintained at the point of consumption to meet daily operational needs. "Shop" refers to motor repair, typewriter repair, furniture repair, and similar shop activities.) By stores inventory value is meant the cost of inventory.

[OTHER???]

d. Budget -- No workload items need be recorded.

e. Organization and Methods -- No workload items need be recorded.

f. Public Relations and Publicity -- No workload items need be recorded.

g. Printing and Duplicating -- No workload items need be recorded.

h. Mail and Messenger -- Each mail and messenger service will maintain the minimum records necessary to report, when requested:

(1) The number of pieces of mail (in thousands) received in the mail room during the reporting period. A piece of mail will generally represent material received in a single envelope or a group of papers covered by a single route slip, including intra-agency transmittals.

(2) The number of pieces of mail (in thousands) dispatched from the mail room during the reporting period. (See h.(1) above, for definition of a piece of mail.)

(3) The average number of pickup and delivery points per regular messenger. By pickup and delivery point is meant a mail station or in or out box at which a messenger regularly delivers and picks up mail. (Regular messenger is defined in 2j(2)(a) above).

(4) The average number of regularly scheduled trips per day per messenger during the reporting period. (For example, an hourly schedule would usually call for eight trips per day.)

(5) The average number of special messenger trips per day per special messenger during the reporting period. (Special messenger is defined in 2j.(2)(b), above.)

(6) The dollar value of cash or negotiable papers and postage received during the reporting period.

(7) The percentage of incoming mail received during the reporting period which was registered, insured, or negotiable.

(8) The percentage of incoming mail received during the reporting period which was controlled mail. (Controlled mail is defined in 2j.(1)(c), above [Pfleger: Is this correct?])

(9) The percentage of outgoing mail dispatched during the reporting period which was reviewed by the mail and messenger service [or other special staff unit?] for proper address, attachments, signature, etc.

(10) The percentage of outgoing mail dispatched during the reporting period which was reviewed by the mail and messenger service [or other special staff unit?] for completeness, content, grammar, or conformance with policy. (See definition of "special handling" in 2j.(1)(c), above).

[OTHER???? Or do we really want this much as a continuing thing?]

5. Effective Date. Agencies will begin recording the workload and employment data required by this circular on September 1, 1948.

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF THE SECRETARY
Washington 25, D. C.

April 26, 1948

To: Heads of Agencies

From: W. A. Minor, Assistant to the Secretary

Subject: Hoover Commission

1. Atlanta Survey. The project on Federal Field Offices is currently conducting a survey of Government field offices located in the Atlanta, Georgia, metropolitan area. Department Agencies with Atlanta offices were notified in advance.

2. Reports on materials furnished Commission representatives. Representatives of several Commission projects are now active in conferring with Department officials. An increasing number of requests for materials, printed, duplicated, and original are being made on us. In the future, copies of printed and duplicated information materials already available for public distribution that are furnished to the Commission need not be sent to this office. Instead, a list of such materials furnished may be substituted. One copy of all original statements, whether typed or duplicated, should be furnished for our use. You may send original statements to me for transmittal to the Commission representative making the request. If you forward direct, please furnish our copy one day in advance of release to the Commission. It is well to designate all original statements intended for Commission use as "Confidential - For Commission Use Only".

3. Directory of Project Staff. Attached is an up-to-date list of Commission projects and personnel. Note new projects 19 to 22.

4. Other information. For other information on the Commission, call W. S. Harris, Ext. 4047.

W. A. Minor

Attachment

COMMISSION ON ORGANIZATION OF THE EXECUTIVE BRANCH OF THE GOVERNMENT

April 15, 1948

PROJECTS ORGANIZED

1. Office of the President and its Relation to the Departments and Agencies

Chairman Herbert Hoover
Assisted by:
- Don K. Price under contract with the Public Administration Clearing House
- Frederick J. Lawton, Administrative Asst. to the Director, Bureau of the Budget
- H. Struve Hensel, former Asst. Secretary of the Navy
- Dr. John D. Millett, Columbia University

2. Post Office Department

Contracted to: Robert Heller & Associates, Inc.
Research Director: Frank Elmendorf

3. Federal Supply

Chairman and Project Director: Russell Forbes, former Commissioner of Purchase of New York City

Advisory Committee:
- W. Z. Betts, Director, Division of Purchase and Contracts, State of North Carolina
- Harry Erlicher, Vice President in Charge of Purchases, General Electric Co.
- Thomas Jolly, Vice President in Charge of Purchases and Engineering, Aluminum Corporation of America
- R. C. Haberkern, Vice President in Charge of Purchases, R. J. Reynolds Tobacco Co.
- Carl Ilgenfritz, Vice President in Charge of Purchases, U. S. Steel Corp. of Delaware
- George A. Renard, Executive Secretary-Treasurer, National Association of Purchasing Agents
- John Sanger, Vice President in Charge of Purchases, U. S. Gypsum Co.
- Charles Smith, Vice President in Charge of Purchases, New York, New Haven, and Hartford Railroad

4. Transportation

Contracted to: Brookings Institution
Research Directors: Charles Dearing
Wilfred Owen

5. Veterans Affairs

Chairman: Colonel Franklin D'Olier, former National Commander of the American Legion, and Chairman of the Board of Prudential Life Insurance Company of America

Assisted by:

Valentine Howell, Vice President of Prudential Life Insurance Co.
Albert F. Jacques, Vice President of Prudential Life Insurance Co.
Thomas M. Searles
William R. Cunningham
Roland Mangini
Mason Sears
John A. Stevenson, President, Penn Mutual Life Insurance Co.
Paul Clark, President, John Hancock Insurance Co.
Edmund Fitzgerald, President, Northwestern Mutual Life Insurance Co.

Activities other than insurance are contracted to:

Trundle Engineering Co.

6. Public Welfare

Contracted to: Brookings Institution
Research Director: Dr. Lewis Meriam

7. Fiscal, Budgeting, and Accounting

Chairman: John W. Hanes, former Under Secretary of the Treasury

Advisors:

Edward F. Bartelt, Asst. Secretary of the Treasury
Frederick Lawton, Administrative Asst. to the Director of the Budget
Walter F. Frazee, of the General Accounting Office
Daniel Bell, former Undersecretary of the Treasury
Roswell Magill, former Undersecretary of the Treasury

Assistant: Kenyon Boocock

Accounting phase:

Director: T. Coleman Andrews, Chairman of Committee on Government Accounting, American Institute of Accountants

Committee of members of the Committee on Government Accounting, American Institute of Accountants:

Edward A. Kracke, of Haskins & Sells
Maurice E. Peloubet, of Pogson & Peloubet
J. S. Seidman, of Seidman & Seidman
Weston Rankin, of Price, Waterhouse & Co.
Harry Howell
Donald F. Stewart

Budgetary phase:

Director: A. E. Buck
Contracted to: Institute of Public Administration of New York

8. Federal-State Relationships

Chairman: T. J. Coolidge, former Undersecretary of the Treasury
Committee:
John Burton, Director of the Budget for State of New York
William Anderson, Professor at University of Minnesota
Senator Harry F. Byrd of Virginia
Governor Frank Carlson of Kansas
William L. Chenery, publisher, Colliers Weekly
John W. Davis, Senior Partner in the firm of Davis, Polk, Wardwell Sunderland, and Kiendl
Charles A. Edison, former Governor of New Jersey
Dean William I. Myers, Cornell University
Contracted to: Council of State Governments
Research Director: Frank Bane

9. Public Works

Chairman and Director: Robert Moses, Chairman of N. Y. State Council of Parks and of the Triborough Bridge Authority
Advisory Committee:
R. H. Baldock, President, American Association of State Highway Officials; State Highway Engineer, State of Oregon
S. D. Bechtel, President, Bechtel Corporation, San Francisco
Gilmore D. Clarke, of Clarke, Rapuano and Holleran, Consulting Engineers
Richard E. Dougherty, Vice President, N. Y. Central Railroad
Gano Dunn, President, J. G. White Engineering Corporation
Aymar Embury II, Architect, City of New York and Consultant to Port of New York Authority
Thomas F. Farrell, Chairman, New York City Housing Authority
Thomas K. Finletter, Coudert Brothers, and recently Chairman, President's Air Policy Commission
G. Donald Kennedy, Vice President, Automotive Safety Foundation
Ben Moreell, President, Jones and Laughlin Steel Corporation
Robert P. Patterson, formerly Secretary of War
Charles H. Purcell, Director, Department of Public Works, State of California
John A. Reilly, President, General Contractors Association; Vice President, The Arundel Corporation
Thorndike Saville, Dean, College of Engineering, New York University
Charles H. Sells, Superintendent, New York State Department of Public Works
Luther C. Steward, President, National Federation of Federal Employees
Consultants:
W. Earle Andrews, of Andrews & Clark, Consulting Engineers, New York
William N. Carey, Executive Secretary, American Society of Civil Engineers
William S. Chapin, Consulting Engineer, Triborough Bridge & Tunnel Authority
Frederic A. Collins, Special Counsel

9. Public Works - cont'd.

Consultants - cont'd.

G. Frank Dougherty, Counsel, Long Island State Park Commission
William F. Heavey, Consultant Engineer, New York City Department of Marine & Aviation
Arthur S. Hodgkiss, Executive Officer, New York City Department of Parks
Arthur E. Howland, Chief Engineer, Long Island State Park Commission, Jones Beach State Parkway Authority, Bethpage Park Authority
William S. Lebwohl, Deputy Corporation Counsel, City of New York
M. J. Madigan, of Madigan-Hyland, Engineers
Emil Praeger, Chief Engineer, Madigan-Hyland, Engineers
John C. Riedel, Chief Engineer, Board of Estimate, City of New York
Sidney M. Shapiro, Deputy Chief Engineer, Long Island State Park Commission
Arthur V. Sheridan, Commissioner of Borough Works, the Bronx, New York
George E. Spargo, General Manager of the Triborough Bridge & Tunnel Authority; Deputy Construction Coordinator, New York
Harry Taylor, Asst. General Manager, Triborough Bridge & Tunnel Authority; Director, Office of Construction Coordinator, New York City.

10. Federal Field Offices

Contracted to: Klein & Saks
Research Director: Dr. Julius Klein

11. Revolving Fund and Business Enterprises of the Government other than Lending

Contracted to: Haskins & Sells
Project Director: Major General Arthur H. Carter
Research Director: Colonel Andrew Stewart

12. Lending Agencies

Contracted to: Price, Waterhouse & Co.
Research Director: Paul Grady
Advisory Committee:

Paul Bestor, former Chairman, Farm Loan Board
Donald D. Davis, President, Minnesota and Ontario Paper Co.
Walter J. Cummings, Chairman of the Board, Continental Illinois National Bank & Trust Company of Chicago
Walter D. Fuller, President, The Curtis Publishing Company
George L. Harrison, New York Life Insurance Company
Arnold B. Keller, Senior Consultant, International Harvester Company
Walter Lichtenstein, Chairman, Economic Policies Commission, Chicago Association of Commerce
James H. McGraw, Jr., President, McGraw-Hill Publishing Company, Inc.
Sumner H. Slichter, Harvard University
Allan Sproul, Federal Reserve Bank of New York

13. Federal Personnel Management

Chairman: John A. Stevenson, President, Penn Mutual Life Insurance Co.
Committee:
Lawrence A. Appley, Vice President, Montgomery Ward & Co.
Vannevar Bush, Chairman, Research & Development Board
Senator Harry F. Byrd, of Virginia
Alvin E. Dodd, American Management Association
Franklin D'Olier, until recently, Chairman, Prudential Life Insurance Co.
Dr. Alvin C. Eurich, Stanford University
Dean Earl G. Harrison, University of Pennsylvania
Dr. Robert L. Johnson, President, Temple University
David Lilienthal, Chairman, Atomic Energy Commission
James P. Mitchell, Vice President, Bloomingdale Bros.
Robert Ramspeck, Executive Vice President, Air Transport Association of America
A. W. Robertson
Dr. George D. Stoddard, President, University of Illinois
Rawleigh Warner, The Pure Oil Company
Alfred H. Williams, President, Federal Reserve Bank of Philadelphia
Prof. Leonard D. White, Department of Political Science, University of Chicago
Contracted to: Cresap, Paget & McCormick
Research Director: Richard Paget

14. Foreign Affairs

Chairman: Harvey Bundy, former Assistant Secretary of State
James Grafton Rogers, former Assistant Secretary of State
Advisor: Henry L. Stimson, former Secretary of State and War
Executive Secretary: John F. Meck, Jr.

15. Natural Resources

Chairman: Leslie Miller, former Governor of Wyoming
Committee:
Horace Albright, former Director, National Park Service
John Dempsey, former Governor of New Mexico
Donald H. McLaughlin, President, Homestake Mining Corp.
Dr. Isaiah Bowman, President, Johns Hopkins University
Dr. Gilbert White, President, Haverford College
Prof. Samuel T. Dana, Dean of School of Forestry & Conservation, University of Michigan
Research Director: Dr. J. R. Mahoney, Senior Analyst of the Library of Congress, and Professor of Economics, University of Utah

16. Regulatory Agencies

Committee:
Professor Robert R. Bowie of the Harvard Law School
Owen D. Young
Robert LaFollette, former Senator from Wisconsin

17. Agricultural Activities

Chairman: Dean H. P. Rusk, Illinois State College of Agriculture
Committee:
Dean H. W. Martin of Rutgers University
Dr. D. Howard Doane, Doane Agricultural Service, St. Louis
F. W. Peck, Director of the Farm Foundation, Chicago
Professor John Gaus of Harvard
Dean W. A. Schoenfeld of Oregon State College
Chester Davis, Federal Reserve Bank, St. Louis
Rhea Blake, of the National Cotton Council
Research Director: G. Harris Collingwood

18. Public Relations Activities of Government, Work to start in June

19. Medical Services

Chairman: Tracy S. Voorhees, President, The Long Island College Hospital
Committee:
Dr. O. H. P. Pepper, Professor of Medicine, University of Pennsylvania
Dr. Hugh Jackson Morgan, Professor of Medicine, Vanderbilt University
Dr. W. C. Menninger, The Menninger Foundation, Topeka, Kansas
Dr. Ray Lyman Wilbur, Stanford University
Dr. Frank R. Bradley, Barnes Hospital, St. Louis Missouri
Dr. R. C. Buerki, Dean of School of Hospital Administration, University of Pennsylvania
Charles Rowley, former Trustee of Massachusetts Investors Trust
Henry Isham, President of the Board of Trustees of Passavant Hospital
Dr. Paul R. Hawley, former Chief Medical Director, Veterans Administration
Dr. Michael de Bakey, Associate Professor of Surgery, Tulane University, New Orleans, La.
Dr. Allen O. Whipple, Professor Emeritus of Surgery, Columbia University
Secretary: Rear Adm. Joel T. Boone, Secretary of the Secretary of Defense's Committee on the Medical and Hospital Services of the Armed Forces

20. Indian Affairs

Chairman: Prof. George Graham, Department of Political Science, Princeton University
Committee:
John R. Nichols, President, New Mexico College of Agriculture and Mechanic Arts
Charles J. Rhoads, former Commissioner of Indian Affairs
Rev. Dr. Gilbert Darlington, Treasurer of the American Bible Society

21. Government Statistical Services

Contracted to: National Bureau of Economic Research
Research Director: Prof. Frederick C. Mills

22. Records Management

Contracted to: National Records Management Council
Research Director E. J. Leahy, Executive Director of the Council, formerly of the National Archives and Director of Records Administration, U. S. Navy
Consultants:
Wayne Grover, Acting Archivist of the United States
Robert H. Bahmer, Director of Records Management, Department of the Army
Herbert E. Angel, Director of Office Methods Branch, Department of the Navy
Edward Wilbur, Department of State

UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF BUDGET AND FINANCE
WASHINGTON, D. C.

April 26, 1948

To : Heads of Agencies of the Department of Agriculture

From : Director of Finance

Subject: Budget Bureau Bulletin No. 1447-[illegible] of April 22, 1948.
Analysis of Staffing Requirements of Certain Common Services

Attached are copies of the above Budget Bureau Bulletin requesting certain information of each agency of the Department. Most of this information is to be used, according to the Bulletin, by the Budget Bureau and presumably by the Congress in reviewing agency budget estimates for certain common services. In view of this, it is urgent that each agency budget officer be apprised and kept informed of this request of the Budget Bureau and of the replies which your agency makes.

Please arrange to have appropriate agency representatives at the following meetings to discuss the various parts of the Budget Bureau Bulletin:

	Date and Place	Persons responsible for technical aspects
Exhibits 3 and 4, Property and Stores Activities	Tuesday, April 27 11:00 A.M., Room 5860 South	James Scammahorn Office of Budget and Finance Extension 3353
Exhibit 5, Mail and Messenger Activities	Tuesday, April 27 11:00 A.M., Room 5860 South	John Lucas Office of Plant and Operations Extension 3535
Exhibit 1, Fiscal Activities	Wednesday, April 28 10:00 A.M., Room 124-E	L. W. Acker Office of Budget and Finance Extension 3614
Exhibit 2, Personnel Activities	Thursday, April 29 3:00 P.M., Room 124-E	A. James Martin Office of Personnel Extension 5625

Please inform Mr. Stone of the Office of Budget and Finance, extension 3183, of the name of the person to whom matters pertaining to this Bulletin may be referred as a central agency contact point. Mr. Stone will be responsible for coordinating the Department's reply to the Budget Bureau.

Dates when and where the material should be submitted will be explained at the above meetings.

There is also attached a preliminary draft of procurement data which the Commission on Organization of the Executive Branch of the Government (Hoover Commission) desires from the Department by June 1. It is expected that there will be some changes before the request is finally submitted to the agencies of the Department for reply. However, because of the similarity between the Commission's request and the Budget Bureau's request, the Commission's request will be reviewed in general terms (with representatives of the Commission present) at the meeting on Tuesday to discuss the procurement and messenger and mail aspects of Budget Bureau Bulletin.

/s/ W. A. Jump

EXECUTIVE OFFICE OF THE PRESIDENT
BUREAU OF THE BUDGET
Washington, D.C.

BUREAU BULLETIN NO. 1947-48:18 April 22, 1948

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Analysis of staffing requirements [illegible]

1. Purpose. In its report on the 1949 Independent Offices appropriation bill the Committee on Appropriations of the House of Representatives stated that the Bureau of the Budget should develop standards for use in reviewing agency budget estimates for common services such as personnel work, budget work, and accounting.

The Bureau will attempt to develop and apply general standards or guides to some common service activities -- specifically personnel work, payroll work, expenditure voucher examination and, for certain agencies, property and supply procurement, storage and issue -- during the review of agency 1950 estimates. Allowance will be made for unavoidable peaks of the work and for unusual operating conditions. In future years the Bureau will attempt to refine these standards and to develop other standards for additional activities. Accordingly, it is contemplated that Bureau of the Budget Circular A-11 will be revised to provide hereafter for an analysis of personnel services under does to some cost of certain common agency services, including those covered in this Bulletin.

The information requested herein is designed to supplement information already available to the Bureau of the Budget and consists of data covering the current (fiscal year 1948) workload and staffing situation in agencies with respect to specified fiscal, personnel, property management, and mail and messenger activities. Additional information will be obtained from some agencies through on-the-spot surveys by Bureau staff.

Part of the requested information will be used in developing guides for the review of 1950 estimates; the balance is a step toward ascertaining (1) which other common agency services are of such a nature that their manpower requirements may be estimated by the application of a standard, and (2) what workload items may appropriately be used as factors in establishing standards for each such common service.

2. Organization and Functions of Agencies

a. Fiscal and Personnel Reports (Exhibits [illegible]). The fiscal and personnel reports are to supply information [illegible] departmental and field operations, in the forty-eight states and the District of Columbia, for all departments and establishments.

(1) Each of the following agencies will prepare [illegible] and 2 as single reports for the entire agency and will [illegible] reports to the Bureau of the Budget not later than [illegible]

White House Office	[illegible]
Bureau of the Budget	[illegible]
National Security Council	[illegible]
National Security Resources Board	[illegible]
Department of State	[illegible]
Office of Defense Transportation	June 1, 1948
Philippine Alien Property Administration	June 1, 1948
War Assets Administration	June 1, 1948
Office of Selective Service Records	June 1, 1948
Philippine War Damage Commission	June 1, 1948
Reconstruction Finance Corporation	June 1, 1948
Atomic Energy Commission	June 15, [illegible]
Civil Aeronautics Board	May 15, 1948
Export-Import Bank of Washington	May 15, 1948
Federal Communications Commission	May 15, 1948
Federal Power Commission	May 15, 1948
Federal Trade Commission	May 15, 1948
Interstate Commerce Commission	May 15, 1948
National Advisory Committee for Aeronautics	June 1, 1948
National Archives	May 15, 1948
Civil Service Commission	June 15, 1948
National Capital Housing Authority	May 15, 1948
National Capital Park and Planning Commission	May 15, [illegible]
National Labor Relations Board	May 15, [illegible]
Federal Mediation and Conciliation Service	June 1, [illegible]
Railroad Retirement Board	June 1, [illegible]
Securities and Exchange Commission	May 15, [illegible]
Smithsonian Institution	May 15, [illegible]
Tennessee Valley Authority	June 1, [illegible]
Tax Court of the United States	May 15, [illegible]
U. S. Maritime Commission	May 15, [illegible]
Tariff Commission	May 15, [illegible]

(2) Each of the following agencies will prepare exhibits 1 and 2 in the form of (a) one report for each bureau or equivalent unit or corporation, (b) one report for the Office of the Secretary (or Administrator), and (c) one agency summary report ((a) plus (b)) and will submit the reports to the Bureau of the Budget not later than July 1, 1948:

Treasury Department
Justice Department
Post Office Department
Interior Department
Agriculture Department
Commerce Department
Labor Department
Federal Security Agency
Federal Works Agency
Housing and Home Finance Agency

(3) Each of the following agencies will prepare exhibits 1 and 2 and will submit them to the Bureau of the Budget not later than July 1, 1948, in the form specified for each:

National Military Establishment:

(a) One report for each bureau or equivalent unit of each constituent department (including separate reports for the Panama Canal and the Panama Railroad Company);
(b) One report for the Office of the Secretary of each constituent department;
(c) One summary report ((a) plus (b)) for each department;
(d) One report for the Office of the Secretary of National Defense.

Veterans Administration:

(a) One report for each Branch area exclusive of hospitals and homes;
(b) One report for each Branch area, hospitals and homes only;
(c) One report for the Central Office;
(d) One summary report ((a) plus (b) plus (c)) for the entire agency.

b. Property Report (Exhibit 3). Exhibit 3 is to supply information covering both departmental and field operations, in the forty-eight states and the District of Columbia, for the departments and establishments, and parts of departments specified below; it will

be submitted to the Bureau of the Budget not later than July 1, 1948.

(1) Each of the following agencies will prepare exhibit 3 as a single report for the entire agency:

White House Office
Bureau of the Budget
National Security Council
National Security Resources Board
Office of Defense Transportation
Office of Selective Service Records
Export-Import Bank of Washington
Federal Communications Commission
Federal Power Commission
Federal Trade Commission
Interstate Commerce Commission
National Capital Park and Planning Commission
National Labor Relations Board
Federal Mediation and Conciliation Service
National Archives
Railroad Retirement Board
Securities and Exchange Commission
Smithsonian Institution
Tax Court of the United States
Tariff Commission
Civil Service Commission

(2) Each of the following agencies will submit exhibit 3 in the form of (a) one report for each bureau or equivalent unit or corporation, (b) one report for the Office of the Secretary (or Administrator); and (c) one agency summary report ((a) plus (b)):

Department of Agriculture (Exclude: data covering units involved in commodity purchases, price support programs, etc., not regarded as administrative expense of the agency)

Department of Commerce (Exclude: Inland Waterways Corporation)

Treasury Department (Exclude: Bureau of Engraving and Printing; Bureau of the Mint; Bureau of Federal Supply; and U. S. Coast Guard)

Department of Justice
Department of Labor
Federal Security Agency
U. S. Maritime Commission
National Advisory Committee for Aeronautics

c. Property Report (Exhibit 4) and Mail and Messenger Report (Exhibit 5). Exhibits 4 and 5 will be prepared by all departments and establishments which have headquarters in the Washington, D. C., Metropolitan Area; except that the Post Office Department will not prepare exhibit 5. The reports will be submitted to the Bureau of the Budget not later than July 1, 1948, in the form of (1) one report for each bureau or equivalent unit, or corporation, (2) one report for the Office of the Secretary (or Administrator), and (3) one agency summary report ((1) plus (2)).

3. Instructions and Definitions Applying to All Reports

a. Each exhibit except exhibit 4 calls for either workload or employment data, or both, for fiscal year 1948. The instructions for the preparation of the exhibits (Sections 4 through 8 of this Bulletin) contemplate that those data will be obtained by ascertaining 9 months' actual experience from agency records (or copies of reports such as Form 3257, Monthly Report of Federal Civilian Employment) and estimating the volume of work and employment for the last 3 months of the fiscal year.

Where agency records or reports will not yield the necessary information, or provide the basis for a reasonably accurate estimate for either 9 months or the entire year, an alternative method of deriving the data may be used. The agency may (1) set up informal memorandum records and accumulate the required work and employment data during the 4-week period May 16-June 12, 1948; (2) adjust the resulting figures, if necessary, to make the period as nearly representative of the year's average experience as possible; and (3) convert the 4-week work and employment figures to annual figures. Where the test period is used to prepare part or all of any exhibit, that fact should be indicated on the exhibit, and the date for reporting to the Bureau of the Budget will be July 1, 1948.

In selecting the method to prepare the exhibits it should be borne in mind that absolute precision is not necessary -- the data are to be used as general guides and not as the basis for the application of a rigid mathematical formula. What is sought in most cases is a reasonably accurate indicator of average production rates $\left(\frac{\text{volume of work produced}}{\text{employment}}\right)$ in the various common services under the different conditions which exist throughout the Government. If there is reason to believe that the information supplied on any exhibit gives a grossly distorted picture of workload or employment in an activity, that fact should be reported and explained in an attachment to the exhibit.

b. The employment data desired are to cover personnel whose principal duties are those usually reported as "administrative services", "staff services" or "common services". For the purposes of this collection, "common services" include such activities as personnel, fiscal, property management, budget, mail and messenger, and printing and duplicating work. Accordingly, only the time of those employees who devote at least 50% of their time to "common services" will be considered for reporting purposes. The time of such employees will be apportioned among the various activities on which reports are requested by estimating the distribution in terms of a man year.

Personnel costs will be distributed among the activities in the same manner as the number of related positions. Total salary of civilian employees will be reported, including, in addition to basic compensation, any type of payments above basic rates (such as overtime, night-work differential, and pay in excess of 52 weeks). In the case of military personnel, only pay will be reported; rental and subsistence allowances are not to be included.

c. The time and cost of employees should be distributed among the activities on a functional basis, which may or may not correspond to organizational structure. (Note, for example, that payroll, leave and retirement work are classified as fiscal activities, not personnel activities). Care should be exercised to account for work according to the functional definitions contained in this Bulletin regardless of the organizational units in which work is performed.

d. Each report should be submitted to the Bureau of the Budget in duplicate. Any supplementary material which the agency may desire to accompany the reports should also be submitted in duplicate.

e. Supplemental or deficiency appropriations which have been enacted or for which estimates have been submitted by the President to the Congress may be included in calculating the employment and salary obligation figures and workload data called for in these reports. Estimates under preparation in the agencies or under consideration by the President will not be included.

f. Inquiries about this Bulletin should be made to the following:

Sections 1, 2 and 3	Mr. William F. Finan Room 496, Executive Office Bldg. Phone Tie line 189, Extension 530
Section 4 and exhibit 1	Mr. Robert J. Lippolt Room 462, Executive Office Bldg. Phone Tie line 189, Extension 525

Section 5 and exhibit 2	Mr. Daniel J. Carr Room 475, Executive Office Bldg. Phone Tie line 189, Extension 240
Sections 6 and 7 and exhibits 3 and 4	Mr. H. J. Lilienfield Room 445, Executive Office Bldg. Phone Tie line 189, Extension 536
Section 8 and exhibit 5	Mr. William Pfleger, Jr. Room 239, Executive Office Bldg. Phone Tie line 189, Extension 646

4. Definitions and Instructions for Fiscal Report (Exhibit 1)

a. Definitions -- Fiscal activities are defined to include all accounting (except property accounting), auditing, financial reporting and other related work except disbursing functions and those accounting and auditing activities performed for the government as a whole by such departments or agencies as the Treasury Department, General Accounting Office, Retirement Division of the Civil Service Commission, etc.; however, this analysis is concerned only with the following two categories of the fiscal function:

(1) Payroll, leave and retirement. This category refers to civilian pay, leave and retirement and includes such activities as preparation and verification of change slips; maintenance of payroll control registers; maintenance and balancing of pay cards; verification and certification of payrolls; maintenance of leave records if centralized or leave advisors' functions if decentralized; ordering of bonds and bond distribution; preparation and distribution of Internal Revenue forms W-2 (Tax withholding); maintenance of retirement records, and other related payroll, leave and retirement work.

(2) Administrative Examination of vouchers. This category includes the activities of administratively examining (prior to certification) and certifying expenditure vouchers covering object classes 02 through 09 (excluding payments from special deposits and vouchers covering payments for price support, relief, and strategic stockpiling), examination of administrative expense claims and preparation of replies to GAO exceptions.

b. Instructions for Preparing Exhibit 1.

Lines 1a(1) to 1a(4). Report in Columns 2 and 3 the average paid employment and salary of employees engaged in civilian pay, leave, and retirement work. (See definition in 4a.(1), above). When the organization is such that payroll, leave and retirement functions are performed by the same employees, complete line 1a(4) only. When leave or retirement functions are performed by separate employees either in the fiscal office or elsewhere, lines 1a(1), (2), (3) and (4) should all be completed.

Line 1b(1). Report in Columns 2 and 3 the average paid employment and salary of employees examining travel vouchers (vouchers chargeable to object class (02).

Line 1b(2). Report the average paid employment and salary of employees engaged in examining other vouchers (objects 03 - 09).

Line 1b(3). Report total of lines 1b(1) and 1b(2).

Line 2a. Report in Column 2 an estimate of the average number of employees paid during the fiscal year. The 9 months actual may be obtained from line 1 Column A of the applicable Form 3257, Monthly Report of Federal Civilian Employment, or from payroll records. Estimate the number of employees to be paid in each of the last three months of the fiscal year.

Line 2b(1) to (4). When the organization is such that payroll, leave, and retirement functions are performed by the same employees, complete line 2b(4) only. When leave or retirement functions are performed by separate employees either in the fiscal office or elsewhere, lines 2b(1) to (4) should all be completed. (Formulas are self-explanatory).

Line 2c(1). Report in Column 2 the number of travel vouchers (object class 02) examined prior to certification.

Line 2c(2). Report in Column 2 the number of other vouchers examined prior to certification (objects 03-09). Exclude vouchers covering payments from special deposits, payments for price support purchases, relief purchases, and purchases for strategic stockpiling.

Line 2c(3). Total of lines 2c(1) and 2c(2).

Lines 2d(1) to 2d(3). Self explanatory.

Line 3a(1). Report in Column 2 an estimate of the average number of full time employees paid during the fiscal year. Nine months actual may be obtained from Line 3 column A of the applicable forms 3257, Monthly Report of Federal Civilian Employment, or from payroll records. Estimate the number of full time employees to be paid in each of the last three months of the fiscal year. Full time employees are those defined in Line 3 under instructions on the reverse of Form 3257.

Line 3a(2). Report in Column 2 an estimate of the average number of part-time and intermittent employees paid during the fiscal year. Nine months actual may be obtained from Line 2, Column A, of the applicable forms 3257, Monthly Report of Federal Civilian Employment, or from payroll records. Estimate the number of part-time and intermittent employees to be paid during each of the last three months of the fiscal year. Part-time and intermittent employees are those defined on line 2 under instructions on the reverse of form 3257.

Line 3a(3). Total of lines 3a(1) and (2) (same as item 2a).

Line 3a(4)(a). Report the number of changes in pay for full time employees because of promotion, location reclassification, within-grade promotion, change in bond deductions or other actions affecting pay. This information should be secured from payroll control registers, earnings cards or payrolls.

Line 3a(4)(b). Same as line 3a(4)(a) except this item covers part-time and intermittent employees.

Lines 3a(5)(a) and (b). Self explanatory.

Line 3b. Report the number of employees having retirement deductions taken from their pay. Use the most recent pay period in determining the number. If this is not a representative pay period, explain and use a representative period.

5. Instructions for Personnel Report (Exhibit 2)

Lines A(1) to A(3). These figures relate to employment in the agency or other reporting unit. The nine months actual may be taken from the Civil Service Commission Form 3257 report, total paid employment.

Lines B(1) to B(6). These are personnel actions classified according to standard terminology. Detailed definitions, if needed, may be found in Chapter R-1 of the Federal Personnel Manual. The nine months actual may be obtained by a count of the SF-50's. (Notification of Personnel Action) in the chronological journal file.

Line C(1). This figure should show the actual number of different job descriptions for positions filled on December 31, 1947. (For purposes of this report "job description" and "position description" are synonymous.) If there are job descriptions which are additional and identical to a master job description, count only the master description.

Line C(2). This figure should show the total number of employees covered by "standard" or "multiple job" descriptions. For example, if a job description for clerk-stenographer, GS-4, covers 22 stenographers, and a job description for accounting clerk covers 35 employees, show 57 as the number of employees covered by standard job descriptions.

Line C(3). Show here the number of different "standard" or "multiple job" descriptions.

Line C(4). This includes the allocation of new positions and reallocation of existing positions. If there are positions which are additional and identical to a master position, count only the master position.

Line C(5). This item should reflect the usual regulatory activity of surveying or reviewing individual positions to insure that job descriptions correctly reflect the duties. It is in addition to the work done in connection with the allocation or reallocation of positions.

Lines C(6) and C(7). Self explanatory.

Line C(8). Show the number of position classification analysts and trainee analysts.

Line C(9). Under this item report any other significant classification and job evaluation workload data available.

6. Definitions and Instructions for Property Report (Exhibit 3)

a. Definitions -- Property activities include all operations incident to the functions of (1) procurement, (2) storage and issue, and (3) utilization and disposal of: supplies, materials, equipment and services other than personal, except that real property and printed or duplicated materials are specifically excluded. In reporting personal services on exhibit 3, include for each function, personnel engaged in immediate supervision and control of the property activities as well as those directly engaged in the performance of those operational tasks listed below, which define in general the three major functions:

(1) Procurement Function. This category includes: (a) maintaining and using data on, or records of, sources of supply, commodity specifications, prices, market trends, procurement transactions, etc.; (b) maintaining and using manuals of operating instructions, and pertinent laws, rules and regulations; (c) receiving and processing requisitions; (d) soliciting and analyzing bids or otherwise selecting suppliers; (e) negotiating and finally arranging terms for purchases, specifications, shipments, deliveries and rejections, and preparing obligation documents; and (f) following up to ensure performances on orders and shipments.

(2) Storage and Issue Function. This category includes (a) receiving, inspecting, storing, recording or rejecting deliveries and reporting thereon; (b) maintaining and operating storage areas, and safeguarding stores; (c) pricing and filling stores requisitions, and recording stock issues; (d) packing issues from stock, and arranging for delivery or shipment; (e) maintaining and operating delivery vehicles; and (f) controlling stock levels by maintaining records of receipt and use, taking physical inventories, and preparing replenishment requisitions.

(3) Property Utilization or Disposal Function. This category includes: (a) determining extent of utilization, availability for transfer to other use, or surpluses to agency needs; (b) arranging for transfer to other use in the agency or for disposal

by (1) declaration of surplus; (2) sale; (3) gift; (4) destruction; or (5) abandonment; (c) preparing the necessary documents and packing and moving the property being transferred or otherwise being disposed; (d) repairing and maintaining property; and (e) maintaining property accountability records and records of utilization and disposal transactions.

b. Instructions for Preparing Exhibit 3

Line 1a. Report in Columns 2a and 2b, respectively, the numbers and total salary of employees engaged in procurement work. (See definition in 6a.(1), above.

Line 1b. Report in Columns 2a and 2b, respectively, the numbers and total salary of employees engaged in storage and issue work. (See definition in 6a. (2) above).

Line 1c. Report in Columns 2a and 2b, respectively, the numbers and total salary of employees engaged in utilization and disposal work. (See definition in 6a. (3), above).

Line 1d. Report the totals of lines 1a, 1b, and 1c.

Line 2a(1). Report the total number of procurement transactions during the fiscal year by adding an estimate of the number of transactions during the last 3 months of the year to the actual number of transactions during the first nine months of the year. By procurement transaction is meant a purchase order or other document creating an obligation against the Government for the purpose of obtaining goods or services other than personal, including orders placed against War Assets Administration, Bureau of Federal Supply, Government Printing Office, and Federal Prison Industries, Inc. (when chargeable to object classes 08 and 09) but excluding intra- and other inter-agency requisitions and work orders.

Line 2a(2). Report the total value of procurement transactions during the fiscal year by adding an estimate of the value of such transactions during the last 3 months of the year to the actual value of transactions during the first nine months of the year. By value is meant the actual costs of the item or items involved in a transaction. Thus, value might include costs that are chargeable to object class 03 as well as costs chargeable to object class 08 or 09.

Line 2b(1). Report the total number of storage and issue transactions during the fiscal year by adding an estimate of the number of such transactions during the last 3 months of the year to the actual number of transactions during the first nine months of the year. By storage and issue transaction is meant a filled requisition or order for supplies, materials or equipment; it does not refer to incoming shipments or unfilled back orders.

Line 2b(2). Report the total value of storage and issue transactions during the fiscal year by adding an estimate of the value of such transactions during the last three months of the year to the actual value of transactions during the first nine months of the year. (See instructions for Line 2a(2) for definition of value).

Line 2b(3). Report the stores inventory value, as of the most recent date available within the last 12 months, and the date inventory was taken. If a special inventory were taken for the purpose of making this report check the box marked "S". If a recent regular inventory report is used check the box marked "R". By stores inventory value is meant the cost of inventory of supplies, materials and equipment in stockrooms and warehouses; inventory does not include goods in use or in "cupboard" or "shop" stocks. ("Cupboard" and "shop" stocks are expendable supplies and materials maintained at the point of consumption to meet daily operational needs. "Shop" refers to motor repair, typewriter repair, furniture repair and similar shop activities.)

Lines 3a(1) through 3b(6). Self explanatory.

7. Instructions for Property Report (Exhibit 4)

Line 1. Report in Column 1 the date of the inventory report from which the data required by Lines 1a through 1c are taken. If a special inventory is taken for this purpose, check the box marked "S". If a recent regular inventory report is used, check the box marked "R". (By "recent" is meant the latest inventory taken during the last twelve months.) The stores inventory value reported on Lines 1a through 1c should be the costs of the supplies, materials and equipment (excluding

related or duplicated materials) maintained in headquarters-operated stockrooms and warehouses located in the Washington, D. C. Metropolitan Area, and should not include: (a) inventories maintained in storage space operated by field activities — even though such space is located in the Washington Metropolitan Area; (b) stocks in use; (c) so-called "cupboard" or "stamp" stocks (see definitions for Line 2a(3) of exhibit 3).

Line 1a. Report in Column 2 the stores inventory value of stocks maintained to supply the departmental service.

Line 1b. Report in Column 2 the stores inventory value of stocks maintained to supply the field service.

Line 1c. Self explanatory.

Lines 2a to 2d. Report in Column 2, according to the breakdown required by the line definitions, the amount of stockroom and warehouse space used or available for the inventories shown on Lines 1a through 1c, except that any space occupied by stock actually declared surplus should be separately stated on Line 2c. Do not include space in a warehouse or stockroom which is actually used for office operations. In the space provided in Column 1, show the total square feet of storage space in breakdown between the amount leased and the amount government-owned.

Line 3a. Report in Column 2, the average number of employees in the departmental service who are supplied from the stores and space recorded, respectively, on Lines 1a and 2a.

Line 3b. Report in Column 2, the average number of employees in the field service who are supplied from the stores and space recorded, respectively, on Lines 1b and 2b.

Line 3c. Self explanatory.

Lines 4, 5, and 6. Self explanatory.

8. Definitions and Instructions for Mail and Messenger Report (Exhibit 6)

a. Definitions

(1) Mail activities refer to all service operations, other than messenger services, concerned with the receipt, distribution, and dispatch of mail, including intra- and inter-agency mail not

requiring postage. For the purposes of this report mail activities will be reported under the following categories:

(a) Supervision. This category includes the immediate supervision of mail activities.

(b) Receipt and dispatch. This category includes the receiving, sorting of addressed mail, opening, date stamping, removing from envelopes, stuffing, sealing, racking, and other operations not requiring special handling of mail received or dispatched.

(c) Special handling. This category includes operations required in addition to those for the normal receipt and dispatch of mail. Report each special operation separately, including under "Registered, insured, and negotiable" special handling of registered or insured mail, special delivery, and mail with negotiable remittances, and including under "Referral, review and control" reading of mail for proper referral; review of outgoing mail for content, grammar, conformance with policy; controlling the whereabouts of mail, following up on replies, and other control activities.

(d) Bulk transportation of mail. This category includes transportation of agency mail in bulk by agency employees between the post office and agency mailrooms or between agency buildings.

(2) Messenger activities refer to the transportation of papers, documents, or similar material between agency organizational units, and include the duties of messengers assigned to other organizational units for special purposes such as the running of errands. For the purposes of this report, messenger activities will be reported under these categories:

(a) Regular messengers. This category includes the transportation of papers on regularly scheduled routes and the immediate supervision of messenger services if not included in (1)(a) above.

(b) Special messengers. This category includes the transportation of papers outside of normal schedules and customary delivery points.

(c) Assigned messengers. This category includes messengers assigned to organizational units other than the mail or messenger unit(s) for the purpose of delivering messages or running errands.

b. Instructions for preparing exhibit 5

Lines 1a(1) to 1a(5). Report in Columns 2 and 3 the numbers and total salary of employees engaged in mail activities as defined in paragraphs a(1)(a) through a(1)(d).

Line 1a(5). Total of lines 1a(1) through 1a(4).

Lines 1b(1) to 1b(4). Report in Columns 2 and 3 the numbers and total salary of employees engaged in messenger activities as defined in paragraphs a(2)(a) through a(2)(c).

Line 1b(4). Total of lines 1b(1) through 1b(3).

Line 1c. Total of lines 1a(5) plus 1b(4).

Lines 1d(1) and 1d(2). Report in Columns 2 and 3 the numbers and total salary of all military personnel included in mail activities, section 1a of the exhibit, and messenger activities, section 1b.

Lines 2a(1) and 2a(2). Report in Column 2 the number of pieces of mail (in thousands) received in and dispatched from agency mail rooms during the fiscal year. A piece of mail will generally represent material received in a single envelope or a group of papers covered by a single route slip, including intra-agency transmittals. If the pieces of mail reported do not conform to this concept, indicate by footnote or attachment the concept used.

Lines 2b and 2c. Self explanatory.

Line 2d. Report in Column 2 the average number of pickup and delivery points per regular messenger reported on line 1b(1). A pickup and delivery point is a mail station or in or out box at which a messenger regularly delivers and picks up mail.

Line 2e. Report in Column 2 the average number of regularly scheduled trips per day per messenger. For example, an hourly schedule would usually call for eight trips per day.

Line 2f. Report in Column 2 the quotient of the number of special messenger trips for the fiscal year

divided by the number of special messengers reported on line 1b(2).

Line 3a(1). Report in Column 2 the dollar value for the fiscal year of cash, or negotiable papers and postage received.

Lines 3a(2) and 3a(3). Report in Column 2 the percentage that the volume of registered, insured or negotiable mail bears to the total volume of incoming mail, and the percentage that the volume of controlled mail bears to the total volume of incoming mail. (See definitions in a(1)(c)).

Line 3a(4). Report in Column 2 the percentage that the volume of other specially handled mail bears to the total volume of incoming mail. Use the same categories as listed under line 1a(3)(c) and separate lines for each.

Line 3b(1). Report in Column 2 the percentage that the volume of outgoing mail reviewed for proper address, attachments, signature, etc., bears to the total volume of outgoing mail.

Line 3b(2). Report in Column 2 the percentage that the volume of outgoing mail reviewed for policy, proper clearance, content, etc., bears to the total volume of outgoing mail.

Line 3b(3). Same as line 3a(4) except for outgoing mail.

JAMES E WEBB
Director

Attachments (5)

Exhibit 1

Statement of Staff and Workload
For Fiscal Activities

Bureau _____
Department or Agency _____

☐ Bureau
☐ Office of Sec. or Adm.
☐ Dept. or Agency Summary

Activity	Fiscal Year 1948		Leave Blank
	Average Paid Employment	Total Salary (Obligations)	
Column 1	Column 2	Column 3	Column 4
1. Analysis by Activity			
a. Payroll, leave and retirement			
(1) Payroll			
(2) Leave			
(3) Retirement			
(4) Total of (1), (2), (3)			
b. Administrative examination of vouchers (before certification) - objects 02-09			
(1) Travel vouchers (object 02)			
(2) All other vouchers (objects 03-09)			
(3) Total vouchers (1b(1) plus 1b(2))			
2. Summary Workload Data			
a. Average number of employees paid			
b. Ratios (employment to workload)			
(1) Payroll (1a(1) x 1000 ÷ 2a)			
(2) Leave (1a(2) x 1000 ÷ 2a)			
(3) Retirement (1a(3) x 1000 ÷ 2a)			
(4) Total (1a(4) x 1000 ÷ 2a)			
c. Number of vouchers examined prior to certification (objects 02-09)			
(1) Number of travel vouchers (object 02)			
(2) Number of other vouchers (object 03-09)			
(3) Total vouchers (2c(1) plus 2c(2))			
d. Av. No. of vouchers examined per employee (objects 02-09)			
(1) Travel vouchers (2c(1) ÷ 1b(1))			
(2) Other vouchers (2c(2) ÷ 1b(2))			
(3) Total vouchers (2c(3) ÷ 1b(3))			

Statement of Staff and Workload
For Fiscal Activities

Bureau _____
Department or Agency _____

☐ Bureau
☐ Office of Sec. or Adm.
☐ Dept. or Agency Summary

	Fiscal Year 1948	Leave Blank
Column 1	Column 2	Column 3
3. Detailed Workload Data		
a. Payroll		
(1) Av. No. of full time employees paid		
(2) Av. No. of part time and intermittent employees paid		
(3) Total Av. No. employees paid (Same as 2a)		
(4) Av. No. pay changes per pay period		
(a) Full time employees		
(b) Part time and intermittent employees		
(5) Percentage of changes per pay period		
(a) Full time (3a(4)(a) ÷ 3a(1))		
(b) Part time and intermittent (3a(4)(b) ÷ 3a(2))		
b. Retirement (No. of employees having retirement deductions taken from their pay)		

Exhibit 2

Statement of Workload for Personnel Activities

Bureau _____

Department or Agency _____

☐ Bureau
☐ Office of Sec. or Adm.
☐ Dept. or Agency Summary

Workload Data	Fiscal Year 1948	Leave Blank
A. No. of persons employed		
(1) Full time		
(a) Highest at end of any month		
(b) Lowest at end of any month		
(c) Average during year		
(2) Part time and intermittent		
(a) Highest at end of any month		
(b) Lowest at end of any month		
(c) Average during year		
(3) Total average (1c) + (2c)) (Same as line 2a, Exhibit 1)		
B. No. of personnel actions		
(1) Accessions		
(2) Promotions and demotions		
(3) Periodic pay increases		
(4) Separations		
(5) All other (status changes, name changes, suspensions, etc.)		
(6) Total		
C. Position classification and job evaluation		
(1) No. of different job descriptions for positions filled 12-31-47		
(2) No. of employees covered by "standard" descriptions 12-31-47		
(3) No. of different "standard" descriptions 12-31-47		
(4) No. of positions studied for allocation or reallocation		
(5) No. of positions reviewed to determine conformance with duties shown on job description. Exclude those shown in C(4)		
(6) Total of C(4) and C(5)		
(7) Of total C(6)		
(a) No. desk audited		
(b) No. audited by other means		
(8) No. of classification analysts (Av. No. filled positions)		
(9) Other significant workload data		

Exhibit 3

Statement of Staff and Workload
For Property Activities

Bureau _____
Department or Agency _____

☐ Bureau
☐ Office of Sec. or Adm.
☐ Dept. or Agency Summary

	Fiscal Year 1948		
	Average Paid Employment	Total Salary (Obligations)	Leave Blank
Column 1	Column 2a	Column 2b	Column 3
1. Analysis by Activity:			
a. Procurement			
b. Storage and Issue			
c. Utilization and Disposal			
d. Total			
2. Summary Workload Data:			
a. Procurement			
(1) No. of transactions			
(2) Value of transactions			
b. Storage and Issue			
(1) No. of transactions			
(2) Value of transactions			
(3) Stores inventory value as of ____ (Date) ☐ S ☐ R			
3. Detailed Workload Data			
a. Procurement			
(1) No. of transactions per employee	(2a(1) ÷ 1a, Col. 2a)		
(2) Average value per transaction	(2a(2) ÷ 2a(1))		
(3) Average salary cost per transaction	(1a, Col. 2b ÷ 2a(1))		
b. Storage and Issue			
(1) No. transactions per employee	(2b(1) ÷ 1b, Col. 2a)		
(2) Average value per transaction	(2b(2) ÷ 2b(1))		
(3) Average salary cost per transaction	(1b, Col. 2b ÷ 2b(1))		
(4) Inventory value per employee	(2b(3) ÷ 1b, Col. 2a)		
(5) Inventory value per $ of salary cost	(2b(3) ÷ 1b, Col. 2b)		
(6) Transaction value per $ of inventory	(2b(2) ÷ 2b(3)		

Exhibit 4

Statement of Stores Inventory and Storage Space in the Washington, D. C. Metropolitan Area and of the Personnel Serviced Therefrom

Bureau _____
Department or Agency _____

☐ Bureau
☐ Office of Sec. or Adm.
☐ Dept. or Agency Summary

Col. 1	Col. 2	Col. 3 (Leave Blank)
1. Stores inventory value as of (date) _____ ☐S ☐R a. Value of inventory maintained to supply departmental service. b. Value of inventory maintained to supply field service c. Total inventory value (a + b).		
2. Sq. ft. of storage space used: a. Storage space used for inventory shown on Line 1a. b. Storage space used for inventory shown on Line 1b. c. Storage space occupied by stores declared surplus. d. Total storage space (a+b+c). (Show amount leased _____; Govt.-owned _____		
3. Average No. of employees supplied from above stores a. Departmental Service b. Field Service c. Total (a + b)		
4. Stores inventory per employee a. Line 1a ÷ Line 3a b. Line 1b ÷ Line 3b c. Line 1c ÷ Line 3c		
5. Sq. ft. of storage space per employee a. Line 2a ÷ Line 3a b. Line 2b ÷ Line 3b c. Line 2d ÷ Line 3c		
6. Sq. ft. of storage space per $1,000 of inventory a. Line 2a ÷ (Line 1a ÷ 1000) = b. Line 2b ÷ (Line 1b ÷ 1000) = c. Line 2d ÷ (Line 1c ÷ 1000) =		

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Exhibit 5

Statement of Staff and Workload for Mail and Messenger Activities (Washington, D. C. Metropolitan Area)	Bureau _____ Department or Agency _____	☐ Bureau ☐ Office of Sec. or Adm. ☐ Dept. or Agency Summary

Activity	Fiscal Year 1948		Leave Blank
	Average paid employment	Total salary (Obligations)	
Column 1	Column 2	Column 3	Column 4
1. Analysis of personnel by activity			
a. Mail activities			
(1) Supervision			
(2) Receipt and dispatch			
(3) Special handling			
(a) Registered, insured and negotiable			
(b) Referral, review and control			
(c) Other (specify)			
_____			
_____			
_____			
(4) Bulk transportation of mail			
(5) Subtotal — mail activities			
b. Messenger activities			
(1) Regular messengers			
(2) Special messengers			
(3) Assigned messengers			
(4) Subtotal -- messenger activities			
c. Total — mail & messenger activities			
d. Number of military personnel included above in			
(1) Mail activities			
(2) Messenger activities			

Statement of Staff and Workload for Mail and Messenger Activities (Washington, D. C. Metropolitan Area)	Bureau _____ Department or Agency _____	☐ Bureau ☐ Office of Sec. or Adm. ☐ Dept. or Agency Summary

Workload Data	Fiscal Year 1948	Leave Blank
Column 1	Column 2	Column 3
2. Summary workload data a. Pieces of mail (in thousands) (1) Incoming (2) Outgoing b. Pieces of mail per employee (in thousands) (Sum of lines 2a(1) + 2a(2) ÷ line 1a(5)) c. Salary obligations per 1000 pieces of mail (obligations on lines 1a(5) ÷ sum of lines 2a(1) + 2a(2)) d. Average no. pickup and delivery points per regular messenger e. Average no. of regularly scheduled trips per day per messenger f. Average no. of special messenger trips per special messenger per year		
3. Workload data on special handling a. Incoming mail (1) Value of negotiables received (2) Percentage of registered, insured, or negotiable (3) Percentage of mail controlled (4) Other (specify) _____ _____ b. Outgoing mail (1) Percentage reviewed for completeness (2) Percentage reviewed for substance (3) Other (specify) _____ _____		